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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

**PROTRACTED PEOPLE'S WAR IN THE PHILIPPINES: A
PERSISTENT COMMUNIST INSURGENCY**

by

Jason T. Osleson

March 2007

Thesis Advisor:
Second Reader:

Michael Malley
Letitia Lawson

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**PROTRACTED PEOPLE'S WAR IN THE PHILIPPINES: A PERSISTENT
COMMUNIST INSURGENCY**

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ABSTRACT

The Philippine communist revolutionary movement is a historical relic, the exception rather than the rule. While much of Asia has opted for capitalism over communism, the idea of a workers' paradise persists within the Philippines' rural heartlands and on university campuses alike. Established over 38 years ago at the height of Mao's Great Proletarian Cultural Revolution, the Communist Party of the Philippines continues its armed quest for state power. Regarded as the longest-running communist insurgency in Asia, the conflict between the Philippine government and the communist insurgents has claimed the lives of an estimated 40,000+.

This thesis will examine aspects of the Philippine government, the Communist Party of the Philippines, and its armed wing, the New People's Army in an attempt to explain why the Philippine communist insurgency remains a serious threat to the government and has not significantly declined in light of a long history of democratic rule in the Philippines. Analysis of the Philippine communist insurgency will contribute to our overall understanding of why this particular communist insurgency has survived where others failed and may provide some insight to help the Philippine government identify and construct a counterinsurgency strategy to successfully eliminate the Maoist threat.

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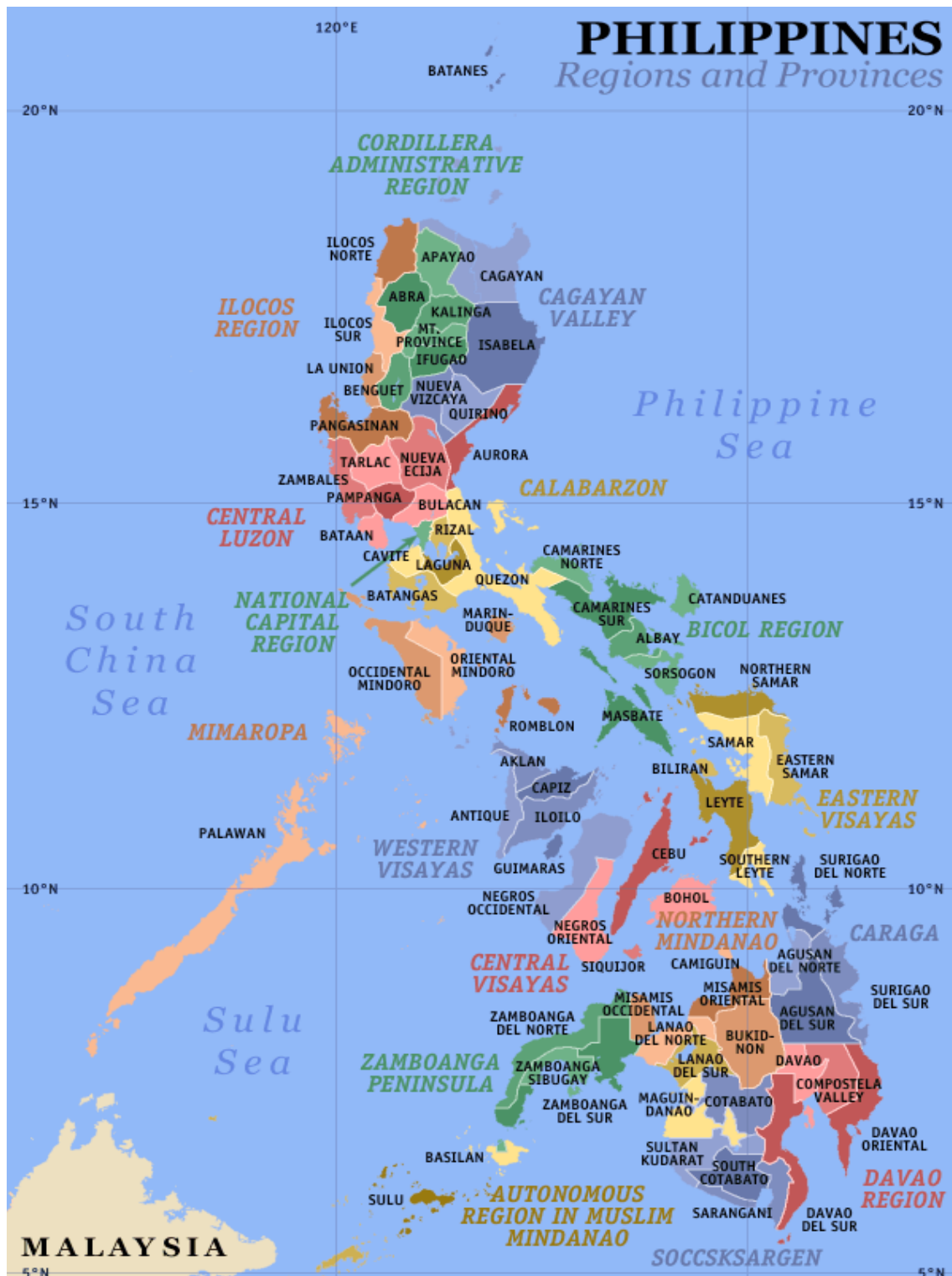


Figure 1. Map of the Philippines Showing Regions and Provinces¹

¹ Philippines, Wikitravel, <http://wikitravel.org/en/Philippines> (accessed January 21, 2007).

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I. INTRODUCTION

Over the past 37 years since the CPP was established in December 1968 and the NPA three months later in March 1969, the armed struggle has caused so much miseries, so much loss of lives and damage to properties.

- Rose Palacio²

For too long, the leadership of the revolutionary left has sought refuge in a foreign land while commanding and controlling the agents of terror in the Philippines engaged in murder, extortion, and the use of child soldiers and the deployment of land mines.

- Ignacio Bunye, *Philippine Presidential Spokesman*³

Against the backdrop of dictatorship, destitution, and U.S. imperial design, the Philippines remains the site of a well-publicized and somewhat romanticized political struggle carried out by the Communist Party of the Philippines (CPP) and an armed struggle carried out by the New People's Army (NPA). Born from humble beginnings in 1969, the NPA had emerged by the end of the 1980s at the forefront of the most potent revolutionary movement in Southeast Asia.⁴ To date, this persistent insurgency has challenged the linear notion of history as embodied in Francis Fukuyama's "end of history" argument as well as the triumph of democracy over most communist regimes.⁵

While much of Asia has opted for capitalism over communism, the idea of a workers' paradise persists within the Philippines' rural heartlands and on university campuses alike. Regarded as the longest-running communist insurgency in Asia, the conflict between the government and the CPP-NPA has

² Rose Palacio, "Sec Dureza asks CPP-NPA to end armed struggle," *Philippine Daily News Reader*, July 28, 2005, <http://www.pia.gov.ph/default.asp?m=12andfi=p050728.htm&no=1> (accessed January 17, 2007).

³ Ignacio Bunye, "Raps to expose Joma, CPP-NPA as terrorists," *Gov.Ph News*, June 16, 2006, <http://www.gov.ph/news/?i=15440> (accessed January 17, 2007).

⁴ Eva-Lotta E. Hedman and John T. Sidel, *Philippine Politics and Society in the Twentieth Century* (London and New York: Routledge, 2000), 1.

⁵ For more information, see Francis Fukuyama, "The End of History," *The National Interest*, no. 16 (Summer 1989): 3-18.

been going on since 1969, with death toll estimates having surpassed 40,000.⁶ Although the number of NPA members has declined in the post-Marcos era, the Philippine government's communist "enemies of the state," through a blend of persuasion and coercion, have managed to weave themselves into the fabric of the Philippine civil society. Since the 1980s, thousands of CPP-NPA relationships with Philippine officials have slowly neutralized members of the traditional economic and political elite. Gregg Jones suggests that the "Spanish, U.S., and Japanese...all used the cooptation of the Philippine elite to maintain power, and the NPA in its drive to seize power appears to be applying with some success the same strategy."⁷

At the domestic level, the Philippines experienced a partial democratic transition following the ousting of the Marcos dictatorship, a return to regular electoral contests, limited economic growth, and various unevenly successful attempts at social reforms such as expanding room for NGOs, legal political activities, and greater freedom of the press. Internationally, the demise of European communist regimes, the capitalist leanings of the Chinese Communist Party, the closure of U.S. bases in the Philippines, and the movement towards globalization outside the confines of a single ideological party would seem to make an armed communist revolution a hard sell. Such persistence is all the more puzzling given that the CPP missed a key opportunity to seize power (or a share of it) towards the end of the Marcos dictatorship, underwent violent and bloody internal purges, and survived a major internal schism in the early 1990s. All of this was happening while the Philippine armed forces were trying, with substantial American financial and military support, to exterminate the CPP threat.

The CPP was designated a "foreign terrorist organization" (FTO) on August 9, 2002 by the U.S. Department of State. "Manila had lobbied strenuously

⁶ Project Ploughshares, "Philippines-CPP/NPA," *Armed Conflicts Report*, January 2006, <http://www.ploughshares.ca/libraries/ACRText/ACR-PhilippinesN.html#Deaths> (accessed August 24, 2006).

⁷ Gregg R. Jones, *Red Revolution: Inside the Philippine Guerilla Movement* (Boulder, San Francisco, London: Westview Press, 1989), 11.

to have the organization designated as an FTO, although the CPP's actual terror activities have been contained within the Philippines."⁸ By May 2003, the Philippines had been identified as a major non-NATO ally of the United States and both funding and military training began to flow to the Philippines to aid in prosecuting the U.S.-initiated Global War on Terror. However, U.S. military operations in the Philippines are limited by the Philippine constitution to teaching counterinsurgency and counterterrorism tactics, advising military units, and participating in civil-military operations. This leaves the burden of fighting terrorists and insurgents resting on the shoulders of the Philippine government and armed forces. Officially, the CPP is not the primary target of the government campaign against terrorists; rather the targets are Abu Sayyaf, the Moro Islamic Liberation Front, al-Qaeda, and Jemaah Islamiyah. However, the Philippine Army has enhanced its campaign against the CPP within the last several years. This leaves the government in a precarious position. With the government focusing its attention on fighting both a political and military battle against the CPP and NPA, resources allocated to fighting Islamic terrorists are being stretched thin.

The primary research question this thesis seeks to answer is: *Why has the Philippine communist insurgency survived for more than three decades and not significantly declined in light of a long history of democratic rule?* Further analysis of the Philippine communist insurgency will contribute to our overall understanding of why this particular insurgency has survived where others failed and will help the Philippine government identify and construct a counterinsurgency strategy to successfully eliminate the Maoist threat. Additionally, protecting the Philippine democracy is a U.S. interest and understanding why the movement persists is a precondition for designing and implementing an effective counterinsurgency strategy.

⁸ Noriyuki Gatagiri, "In the Spotlight: The Communist Party of the Philippines (CPP)," Center for Defense Information, December 17, 2002, <http://www.cdi.org/terrorism/cpp-pr.cfm> (accessed August 24, 2006).

A. LITERATURE REVIEW

The literature reviewed for this research begins to provide a clearer picture of why the Philippine communist insurgency has persisted for more than three decades. This literature points to state weakness as a key reason for the communist insurgency's persistence. State weakness is apparent as witnessed by weak political parties and contested elections and rampant corruption. Additionally, the state's inability to close the gap between the rich few and the many poor has created a permissive environment which the CPP-NPA has been able to exploit. The CPP-NPA has thus become the mouthpiece used by the rural peasantry to voice their anger and carry on the fight against the Philippine government. Finally, there is a relationship of mutual trust that must exist between soldiers and the people they serve. In order to sustain strong bonds of mutual trust, soldiers must earn the respect of the citizenry through competence and fidelity. At the same time, the soldiers must be provided adequate material and psychological support to carry out the mission. Right now, the Philippine military has the support of the government, but is lacking the necessary tools (airlift, transportation, advanced weapons, etc.) required to successfully defeat the NPA.

1. State Weakness

One of the Philippines' dilemmas is the state's persistent inability to provide basic services, guarantee peace and order, and foster economic development. All of these factors manifest themselves as part of an overall state of weakness as indicated by uncollected taxes, uncontrolled corruption, bloated bureaucracies, denuded forests, low teacher salaries, and high emigration rates.⁹ "State weakness is due in part to a history of state capture by sectoral interests."¹⁰ The rural poor demand reform, but the powerful landed elites oppose it. In a paper presented at the United States - China Conference on Areas of Instability and Emerging Threats, William M. Wise noted that public opinion survey data in the Philippines confirms that Filipinos perceive these as very big

⁹ Patricio N. Abinales and Donna J. Amoroso, *State and Society in the Philippines* (Lanham, Boulder, New York, Toronto, Oxford: Rowan and Littlefield Publishers, 2005), 1-2.

¹⁰ Ibid.

problems. “Yet, popular devotion to democratic ideals, strong regional identities, family ties, and religious affiliations seem to act as a brake on state failure.”¹¹ With that said, this section will highlight several examples of state weakness and how these factors have hindered the state’s ability to extinguish the communist threat.

a. *Weak Political Parties and Contested Outcomes*

Since coming to office in 2001, President Arroyo has done little to shore up Philippine democratic institutions, with political parties remaining weak and having had virtually no impact on improving the social and economic standards of living. For example, many political parties exist today not because of their political ideology, but rather because their leaders’ have an uncanny ability to float with the tide. As Senator Aquilino Q. Pimentel states,

when the leaders lose interest in their party affairs or are lured to join other groups, their original parties disappear and new ones rise up in the horizon. In my country, today, crossing over from one party to another can easily be done because the political parties are not differentiated by ideologies. They are differentiated only by the depths of the pockets of their political leaders and the charisma that their financial fortunes create. And sad to say, what passes for their political platforms are mainly motherhood statements that have no bearing on the real needs of the people.¹²

The political platform of President Gloria Macapagal-Arroyo is by no stretch of the imagination socially reformist and on-going divisions among ruling elites make governance a fragile exercise. In fact, President Arroyo herself crossed over from her political party (LDP) to the political party Lakas-NUCD-UMDP-KAMPI. Additionally, the inability of other leftist parties to constitute a political alternative to the control of the CPP on the “far left” agenda has helped the CPP maintain its credibility as the voice of the state’s downtrodden rural peasants.

¹¹ William M. Wise, “American Perspectives on the Threat Posed by Weak and Failing Asian States” (paper presented at The U.S.-China Conference on Areas of Instability and Emerging Threats, Beijing, China, February 23-24, 2004): 9.

¹² Senator Aquilino Q. Pimentel, “Multi-parties Strengthen Democracy” (speech presented at the 4th International Conference of Asian Political Parties, Seoul, South Korea, September 8, 2006), http://www.nenepimentel.org/speeches/20060908_Korea.asp (accessed March 18, 2007).

One of the major internal concerns of the government is ensuring political stability in the wake of the highly contested outcome of the presidential election of 2004. During her bid for reelection in 2004, President Arroyo allegedly made several calls to election commissioner Garcillano which were recorded via wiretaps. Garcillano was believed to be the election official on the tapes talking to President Arroyo about rigging the May 2004 elections in favor of Arroyo so that she would win by more than 1 million votes.¹³ The ensuing investigation into possible election fraud and tampering became known as the “hello Garci” scandal and has called into question the legitimacy of the elected government, specifically the office of President. This has ultimately contributed to the weakness of the Philippine state.¹⁴

Against the backdrop of threats to her Presidency throughout 2005, President Arroyo and her supporters attempted to draw attention away from supposed presidential misdeeds to the issues of reforming Philippine political institutions and processes. However, December 2005 saw renewed signs of opposition-led activity against the president in Congress, and a public opinion survey the same month reported that Arroyo experienced the lowest ratings of any president since the transition from authoritarian rule in 1986.¹⁵

Weak political parties have ultimately contributed to the persistence of the communist insurgency because as politicians switch from one political party to the next, campaign promises such as land and road projects go unfunded and unfulfilled. This leaves a systematic opening for the CPP-NPA to come in to take care of the neglected constituency. For example, “the NPA works by approaching farmers and offering instructions on better farming methods, improving irrigation, and giving medical aid. Later, discussions are held on the

¹³ Edmer F. Panesa, “Five House Panels Adopt Draft Report on ‘Hello Garci’ Case,” *Manila Bulletin*, March 16, 2006, <http://www.mb.com.ph/issues/2006/03/16/MAIN2006031658804.html> (accessed March 18, 2007).

¹⁴ John L. Linantud, “The 2004 Philippine Elections: Political Change in an Illiberal Democracy,” *Contemporary Southeast Asia* 27:1 (April 2005): 80-101 and Bastiaan Van de Loo, “The Failure of the Philippine Presidential System,” *Asia Europe Journal* (2004): 257-269.

¹⁵ Eva-Lotta E. Hedman, “The Philippines in 2005: Old Dynamics, New Conjecture,” *Asian Survey* 46:1 (January/February 2006): 189.

rising cost of living and the growing inequities in Philippine society...Exercising self-reliance, the peasants and the NPA work together to increase production.”¹⁶

With the media publishing accounts of alleged presidential misdeeds, President Arroyo has become mired down in fighting for political survival. Instead of focusing on the goals of economic and agrarian reform, the President has had to focus her time on ensuring her administration does not unravel underneath her. This is seen as a sign of political weakness and possible chink in the government’s armor by communist insurgents whose long-term goal is the overthrow of the government. Additionally, as more of the Philippine people come to view the Presidency as illegitimate, they may be more willing to turn to communist agitators as their voice to topple the government they have come to view as wrongfully elected and unresponsive to their needs.

b. Corruption

A culture of corruption is prevalent at all levels of the state. President Arroyo recognizes that corruption has hindered the state’s ability to combat insurgency and corruption scandals involving senior military officers have affected AFP morale. “The root cause of our situation today is an entrenched culture of corruption, Arroyo said. We must collect stolen riches and put people on trial for their criminal behavior, whoever they are, wherever they work and live.”¹⁷

Graft and greed have always been a part of the Philippines’ military with corruption said to be one of the main reasons that the armed forces are ineffective in dealing with both domestic and regional terrorism. Philippine Congressman Roilo Golez said that

there is a lot of unhappiness in the region about corruption in the Armed Forces of the Philippines and the chronic inability of the armed forces to deal with its internal security issues...corruption [is]

¹⁶ E. San Juan, *Crisis in the Philippines: The Making of a Revolution* (Massachusetts: Bergin and Garvey Publishers, 1986), 142-143.

¹⁷ Julie Javellana-Santos, “Corruption Strangling the Philippines: Arroyo,” Arab News, <http://www.arabnews.com/> (accessed April 7, 2006).

a 'major problem' that affected the country's ability to counter terrorism and protect its territories. It traverses many administrations and goes to the highest levels.¹⁸

For example, the so-called "comptroller family" in the Armed Forces has come under fire following scandals involving retired Lieutenant General Jacinto Ligot and retired Major General Carlos F. Garcia. "Ligot was the AFP deputy chief of staff for comptrollership...As J6, he was a member of the board of the AFP Retirement Service and Benefit System Fund during the same period, which has been investigated for bad deals.¹⁹ Garcia replaced Ligot as J6 in March 2001, when the latter was named commanding General of the Army's 2nd infantry division in Tanay, Rizal. In December 2005, Garcia was found guilty by a general court martial on charges of massive corruption and unexplained wealth. The case stemmed from his misdeclaration of his net worth in his statement of assets and liabilities for 2002 and 2003, and possession of a "green card" or permanent resident status in the United States while still serving as a general in the Armed Forces of the Philippines.

The comptroller's post was very powerful in the military. Ligot and Garcia controlled the handling, programming, and auditing of the budget. Because of the system of conversion, they had a lot of leeway in allocating funds. Armed Forces chief of staff General Efren Abu has since abolished the position. General Efren Abu warned that the military's preoccupation with the corruption scandals could be exploited by enemies of the state and warned that "the enemies of the state watch—they watch our every move and threaten to strike at the slightest opportunity...those intent on destabilizing and destroying our institutions [will] not succeed."²⁰

¹⁸ Carlos H. Conde, "Corruption Troubles Philippine Military," *International Herald Tribune*, May 26, 2005, <http://www.ihf.com/articles/2005/05/25/news/phils.php> (accessed August 31, 2006).

¹⁹ Glenda M. Gloria, "A Comptrollers Hidden Wealth," *Asia Views*, (December 2004) <http://www.asiaviews.org> (accessed August 31, 2006).

²⁰ Ibid.

c. Poverty and Social Inequality

With respect to the Philippines, poverty and social inequality have created an atmosphere that has contributed to the ongoing insurgency. Aristotle noted that:

The desire of equality, when men think that they are equal to others who have more than themselves; or, again, the desire of inequality and superiority, when conceiving themselves to be superior they think that they have not more but the same or less than their inferiors; pretensions which may and may not be just. Inferiors revolt in order that they may be equal, and equals that they may be superior. Such is the state of mind which creates revolutions.²¹

This school of thought holds that as a Cold War relic fighting for communist victory, the CPP-NPA are motivated not by Marx, but rather money and the quest for equality, with the communist movement remaining viable in part because there is money to be made and food to be eaten. Despite its professed Marxist-Leninist orthodoxy, the CPP-NPA had demonstrated through the years its ability to adapt to national political conditions and local situations. Theoretical rigidity was shelved for pragmatic politics of survival.

James Hookway suggests that a lack of infrastructure has produced a lack of jobs, which is why relatively few guerillas take advantage of government amnesty programs. Simply, there are few other ways to make a living. As an example of how lucrative the NPA is as a business, Hookway explains that in the Compostela Valley in Mindanao, like other regions in which the NPA operates, the rebels collect what they call “revolutionary taxes” from local businesses, which the military estimates earn the rebels 300 million pesos a year.²² Revolutionary taxes collected by the NPA are crippling rural development because residents and business owners in the rural portions of the Philippines are moving away in order to seek the relative security of metropolitan areas.

²¹ Aristotle, *Politics* V, 2, ii, translated by Benjamin Jowett, <http://classics.mit.edu/Aristotle/politics.5.five.html> (accessed August 24, 2006).

²² James, Hookway, “The Business of Terrorism,” *Far Eastern Economic Review* (January 16, 2003): 50.

A prime example of social inequality in the Philippines is that as of 2003, nearly half of the country's farmland remained owned by a small handful of families who were descendents of Spanish colonizers, half of the working class were landless laborers, and land reform had largely floundered. Additionally, political levers continue to be held by the landowning Philippine elite who have consistently dragged their feet on agrarian reform with the wealthy landowners often preferring instead to let their land go to seed rather than see it turned over to their tenants.²³ By the end of 2005, there had been talk of reform but little real progress had taken place in the face of the country's entrenched problems of poverty, social inequality, and indebtedness.

Under Marcos' martial law, the communists were able to make life a little easier for villagers in areas under their control. Even after Aquino came to power in 1986, they were still able to do wonders in their territories by appealing to those Filipinos who were no longer enchanted by prospects of reform that either never came or were slow to reach the rural areas. Although CPP-NPA numbers were reduced significantly following the ouster of Marcos and the lifting of martial law, the CPP was still able to win the hearts and minds of the peasant working class who grew increasingly disenchanted with the lack of effort to increase equality among Philippine citizens.

d. Military Limitations

Stoking rural discontent and antigovernment unrest, the CPP and the New People's Army have managed to remain a thorn in the side of the military for decades. As violence has escalated during the past several years, Philippine military officials have fingered a familiar foe—communist agitators. Carlos Conde sums it up best by saying that "the Philippines' military remains fragmented, politicized and corrupt. Its hardware is old and inadequate, its troop morale low and its rank and file susceptible to adventurism, as demonstrated by

²³ For more information, see James, Hookway, "The Business of Terrorism," *Far Eastern Economic Review*. (January 16, 2003), Simon Montlake, "In capitalist Asia, Philippines still grapples with communists," *The Christian Science Monitor*, (December 7, 2005), <http://www.csmonitor.com/2005/1207/p04s01-woap.html> (accessed May 22, 2006), and Steven Rogers, "Philippine Politics and the Rule of Law," *Journal of Democracy* Vol. 15, No. 4. (October 2004): 111-125.

numerous coup attempts since the removal of Marcos in 1986.”²⁴ The AFP’s limited ability to combat the insurgency due to dissent within the officer corps, corruption, lack of training, and insufficient equipment has undoubtedly contributed to the persistency of the insurgency.

Michael Montesano refers to the lack of modern, functional equipment and poor coordination between intelligence and operational units as key factors for why the AFP has been largely unable to defeat the NPA.²⁵ Also, the results of a Joint Defense Assessment between the U.S. Pacific Command and the AFP revealed a wide range of weakness in the AFP’s operational capabilities, such as a lack of ground mobility and air assault capability, intelligence collection, analysis and dissemination, communications equipment, and civic action. The joint study also cited large numbers of AFP units that styled themselves as special operations with strong implications of unconventionality, loose discipline, and accusations among the citizens of human rights violations. The report concludes by saying that in addition to improving its equipment, the Philippine military needs to reform its organization and structure in order to integrate operations and intelligence—and it must deal with perceptions of widespread corruption within its ranks.²⁶ Montesano suggests that the institutional rot of the AFP is more serious than a mere matter of inadequate funding.

Dissent among the AFP officer corps resulting in coup attempts is also not uncommon. For instance, on July 27, 2003 approximately 300 AFP officers and soldiers seized a luxury apartment building and the adjacent Glorietta shopping mall in Manila. The coup leaders were driven to rebel against a system which they claimed was corrupt, sold arms to Muslim rebels, and

²⁴ Carlos H. Conde, “Corruption Troubles Philippine Military,” *International Herald Tribune*, May 26, 2005, <http://www.iht.com/articles/2005/05/25/news/phils.php>. (accessed March 2006).

²⁵ See Michael J. Montesano, “The Philippines in 2002: Playing Politics, Facing Deficits, and Embracing Uncle Sam,” *Asian Survey*, 43:1 (January/February 2003): 156-166. Michael J. Montesano, “The Philippines in 2003: Troubles, None of Them New,” *Asian Survey*, 44:1 (January/February 2004): 99-103.

²⁶ Richard W. Baker and Charles E. Morrison. “Philippines: The Security Environment,” in *Asia Pacific Security Outlook 2005*. ed. Richard Baker (Tokyo, New York: Japan Center for International Exchange, 2005), 142-148.

perpetuated low pay. The coup plotters also accused AFP senior leadership of involvement in the staging of bombings on the island of Mindanao, allegedly to draw increased military aid.²⁷ In February 2006, the head of the army's Scout Rangers regiment, Brigadier General Danilo Lim, was accused of leading a plot to use the rallies marking 20 years since the fall of President Ferdinand Marcos to launch a coup.²⁸

In 1989, he [Brig Gen Lim] was arrested over an attempted coup against then-President Corazon Aquino, who succeeded Marcos. The army said he was planning to lead troops to Friday's protest to tell demonstrators that they were withdrawing support from the president, hoping this would spark an uprising. He is now under arrest and at least eight to 10 other people—including the commanders of an elite marine unit and a special police squad—are reportedly being sought for questioning.²⁹

On November 02, 2006, Philippine military chief Hermogenes Esperon said that he has identified two officers as those who asked senior military leaders to withdraw support from President Gloria Macapagal-Arroyo in February. Identified were "former Marine commandant Renato Miranda and former Philippine National Police Special Forces Chief Marcelino Franco [as those who] asked the military top leaders to support their coup plan on Feb. 24, Esperson said."³⁰ Miranda was relieved from his position before the coup attempt and Franco relieved of his position after the failed coup attempt.³¹

²⁷ Michael J. Montesano, "The Philippines in 2003: Troubles, None of Them New," *Asian Survey*. 44:1 (January/February 2004): 94.

²⁸ BBC, "Emergency Declared in Philippines," *BBC*, February 24, 2006, <http://news.bbc.co.uk/2/hi/asia-pacific/4745716.stm> (accessed November 2, 2006).

²⁹ Ibid.

³⁰ People's Daily, "Philippine Military Chief Identifies two Officers as Coup Planners," *People's Daily*, November 2, 2006, http://english.people.com.cn/200611/02/eng20061102_317705.html (accessed November 2, 2006).

³¹ Ibid.

2. Summary of Findings

All of the above mentioned factors either contribute to or indicate the Philippine state suffers from weakness and points to this as the primary factor contributing to the persistence of the communist insurgency. For example, as Senator Aquilino Q. Pimentel explained, the existing political parties in the Philippines remain weak with

many of them...founded by politicians several generations ago. They no longer address the needs of the times..., do not have solid ideological moorings, and their members are blissfully unaware of what their parties really stand for. Many party members just follow the stance of their leader who may shift directions as the wind blows. Most political parties depend on the personal fortunes their individual leaders possess to fund their political work.³²

The net effect is that instead of appealing to their constituency on the basis of their political platforms, the parties do so on the basis of their leader's ability to disburse funds to meet partisan or personal needs.³³ The result is often party switching as an elected official will jump ship and join whichever party he or she feels will get them the most money. With constituents left feeling a sense of political abandonment, the CPP-NPA swoop in and offer an alternative to the disaffected population.

Social inequality has contributed to the insurgency because the CPP-NPA have been able to make life a little easier for villagers in areas under their control. Even after the fall of the Marcos regime, communist insurgents were still able to do wonders in their territories by appealing to those Filipinos who were no longer enchanted by prospects of reform that either never came or were slow to reach the rural areas. Although CPP-NPA numbers were reduced significantly following the ouster of Marcos and the lifting of martial law (Table 1), the CPP was able to win the hearts and minds of the peasant working class who grew increasingly disenchanted with the lack of effort to increase equality among Philippine citizens. As was indicated earlier, as of 2003, nearly half of the country's

³² Senator Aquilino Q. Pimentel, *Multi-parties Strengthen Democracy*.

³³ Ibid.

farmland remained owned by a small handful of families who were descendents of Spanish colonizers, half of the working class were landless laborers, and land reform had largely floundered. Additionally, political levers continue to be held by the landowning Philippine elite who have consistently dragged their feet on agrarian reform with the wealthy landowners often preferring instead to let their land go to seed rather than see it turned over to their tenants. By the end of 2005, there had been talk of reform but little real progress had taken place in the face of the country's entrenched problems of poverty, social inequality, and indebtedness.

Finally, although the government believes that the NPA's armed strength has decreased slightly from the 1990s to 2000s, the number of communist influenced *barangays* (villages) throughout the country has actually grown during the same period (Table 1). The presence of the NPA throughout many of the provinces underscores the fact that the Philippine military is hampered by poorly trained and equipped troops with low morale. For instance, the lack of modern, functional equipment and poor coordination between intelligence and operational units are key factors for why the AFP has been largely unable to defeat the NPA.³⁴ Military limitation as a symptom of weakness has created a permissive environment for the CPP-NPA to operate in.

³⁴ See Michael J. Montesano, "The Philippines in 2002: Playing Politics, Facing Deficits, and Embracing Uncle Sam," *Asian Survey*, 43:1 (January/February 2003): 156-166 and Michael J. Montesano, "The Philippines in 2003: Troubles, None of Them New," *Asian Survey*, 44:1 (January/February 2004): 99-103.

YEAR	STRENGTH	FIREARMS	AFFECTED BARANGAYS			ARMED INCIDENTS	NON-ARMED INCIDENTS	GUERRILLA FRONTS	FATALITIES		
			INFLUENCED	LESS INFLUENCED	TOTAL				AFP / PNP	NPA	CIVILIANS
1970	650	-	-	-	-	-	-	-	-	-	-
1971	1100	-	-	-	-	-	-	-	-	-	-
1972	1320	1520	-	-	-	-	-	-	-	-	-
1973	1900	1510	-	-	-	310	-	-	-	-	-
1974	1,800	1,600	-	-	-	391	-	-	-	-	-
1975	1,800	1,620	-	-	-	478	-	-	-	-	-
1976	1,200	1,000	-	-	-	401	-	-	-	-	-
1977	2,300	1,700	-	-	-	353	-	-	-	-	-
1978	2,760	1,900	-	-	-	515	-	-	-	-	-
1979	4,900	1,960	-	-	-	697	-	-	-	-	-
1980	5,600	2,640	-	-	-	880	-	-	-	-	-
1981	6,010	2,540	1,173	2,147	3,320	1,195	-	17	-	-	-
1982	7,750	2,390	949	1,689	2,688	1,726	-	22	-	-	-
1983	10,600	4,620	1,588	3,075	4,663	2,430	-	38	-	-	-
1984	14,360	8,350	1,816	3,710	5,526	3,720	-	40	1,115	1,321	1,100
1985	22,500	11,250	2,360	4,659	7,019	3,877	-	44	1,282	2,134	1,362
1986	24,430	12,120	3,066	5,430	8,496	2,953	-	58	1,008	1,245	944
1987	25,200	15,500	3,066	4,993	8,059	3,118	-	61	1,107	1,702	1,003
1988	23,060	12,260	2,853	4,999	7,852	3,525	-	60	946	1,964	1,006
1989	18,640	12,060	2,141	4,398	6,539	3,597	-	58	830	2,038	868
1990	17,720	11,700	1,460	3,381	4,841	3,261	-	57	792	1,710	632
1991	14,800	10,510	1,000	2,625	3,625	3,272	-	47	776	1,606	538
1992	11,920	8,730	470	1,569	2,039	2,292	500	41	600	1,233	288
1993	8,350	7,600	266	718	984	1,517	690	46	214	640	148
1994	6,930	5,860	138	487	625	1,120	779	47	146	313	153
1995	6,025	5,298	44	401	445	891	2,338	48	73	183	154
1996	6,728	5,347	365	469	534	497	2,781	49	45	121	99
1997	6,806	5,402	69	573	642	460	2,403	57	67	93	133
1998	8,948	5,841	90	682	772	525	2,373	58	72	114	142
1999	16,616	6,212	150	834	984	630	2,749	71	116	181	137
2000	11,255	6,851	202	1,077	1,279	751	2,984	96	217	225	169
2001	11,930	7,159	215	1,354	1,569	802	3,443	100	163	223	191
2002	9,257	6,126	501	1,893	2,394	790	3,286	105	164	179	165
2003	8,892	6,133	542	1,948	2,490	817	3,453	106	223	231	195
2004	8,240	6,162	661	1,849	2,510	798	3,832	106	184	207	177

Table 1. CPP-NPA Statistics 1968-2004³⁵

³⁵ Carolina G. Hernandez, "Institutional Responses to Armed Conflict: The Armed Forces of the Philippines" (paper submitted to the Human Development Network Foundation for the Philippine Human Development Report, 2005).

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II. THE INSURGENCY

The revolution began in the fertile mind of a college English literature teacher fond of poetry and philosophy, but ultimately drawn to the writings of Karl Marx, V.I. Lenin, and Mao Zedong. Indeed the latter's works provided José Maria Sison with the framework for an armed revolution, a 'protracted people's war' in which, he envisioned, historically oppressed Philippine peasants would form the nucleus of a communist army. From the countryside, the rebel army would gradually 'encircle the cities' and advance 'wave upon wave' as he put it at the vanguard of a social and political revolution that would sweep to power. The Philippine revolution was a product of the classical Third World fusion of peasant unrest and nationalism.

- Gregg R. Jones³⁶

Before delving into the reasons surrounding the persistence of the Philippine communist insurgency, it is important to first understand the nature of the insurgency. Communist guerillas have been waging a Maoist insurgency in the Philippines for more than 38 years and pose a greater security threat to the Philippines than Abu Sayyaf or the Muslim secessionist movements of the Moro National Liberation Front and the more radical splinter organization the Moro Islamic Liberation Front. The CPP and its armed guerilla wing, the NPA, are considered to be the main security threat to the peace and security of the Philippines because of its nationwide presence and advanced capability to mount an armed rebellion.

Aside from pursuing an armed struggle against the government, the CPP has been able to maximize their so called "legal struggle" by using its umbrella front, the National Democratic Front (NDF) to organize and agitate the populace. Such front organizations aid the accomplishment of CPP goals by working closely with the government while at the same time maintaining clandestine ties with the communist rebels.

³⁶ Gregg R. Jones, *Red Revolution: Inside the Philippine Guerilla Movement* (Boulder, San Francisco, London: Westview Press, 1989): 5.

Following the Chinese and Vietnamese models, the CPP-NPA-NDF act together to wage a protracted struggle with the goal of seizing political power. To accomplish this goal, the CPP-NPA seek to encircle the cities from the countryside with armed guerillas. The CPP-NPA-NDF complex will then augment armed struggle, while establishing “mass base”³⁷ areas in the countryside, with the organization of mass movements in urban centers to support and sustain the organization.

Despite some setbacks in the late 1980s and early 1990s, the CPP-NDF conglomerate continues to conduct political, economic social and psychological activities to this date to drive a wedge between the people and the government. Communist guerillas have been able to infiltrate many legitimate organizations, such as those in labor and student youth groups on college campuses. The CPP is responsible for politicizing, agitating, and organizing the aforementioned sectors to participate in CPP-initiated rallies, demonstrations, strikes, and other forms of protest actions against the government. While the CPP-NDF work together in the Philippines’ urban areas, NPA elements are responsible for confronting the Armed Forces of the Philippines and for protecting guerilla members, their movements, and supporters.

Although the communist movement split in the mid-1990s into two main groups—1) the “reaffirmist” mainstream CPP-NPA-NDF and 2) the new “rejectionist” faction—both factions share a common strategic objective, namely: seizing political power and establishing a communist-ruled government. In recent years, the communist movement has seen a resurgence in terms of the number of guerilla fighters, firearms, mass bases, and guerilla fronts.³⁸ For example *barangays* affected by communist influence rose from 2,490 in 2003 to 2,510 in

³⁷ Guerilla mass base areas are areas in the countryside consisting of several *barangays* or villages, covering two or more towns or provinces, where guerilla units have established their control and influence through their own mass organizations and local organs of political power.

³⁸ A guerilla front is a politico-military-geographical unit of the CPP-NPA-NDF which consists of a political organization usually made up of a front committee; a military organization made up of a regular mobile force or forces varying in size, armed propaganda teams, and local militias; an area of responsibility consisting of one to several municipalities. Most of these guerilla fronts are located along provincial boundaries with mountainous/forested terrain, but there are some which are located in the plains, along coastlines, and in depressed areas in urban centers.

2004 and the number of guerilla fronts steadily increased from a low of 41 in 1992 to 106 in 2004 (Figure 1). In response to the growing number of insurgents, the AFP has made it a goal to dismantle more than 120 guerilla fronts nationwide in the next several years.³⁹ In 2002 alone, the AFP had to clear 400 communist affected *barangays*, suggesting that the CPP-NPA has grown considerably in recent years.

The NPA is capable of conducting terrorist actions which are both selective and discriminate, such as murder, assassination, bombings, kidnapping, intimidation and coercion of elected officials, arson, and extortion. All activities are conducted in order to gain control over people and their areas of operation. The NPA is also able to conduct many other activities including harassment, raids, and ambushes against government forces and military targets. Guerilla operations such as these are inevitably aimed at weakening the government's security forces in order to eventually destroy them and with them, the political will of the people.

Because of the inclusion of the CPP-NPA on the current United States terrorist watchlist, external financial support has been dwindling. Thus, the insurgents have stepped-up their campaign of extortion in the form of their "revolutionary tax" levied from business establishments in the cities and countryside to generate much needed funds. During the last national elections, for instance, guerillas demanded exorbitant amounts of money from candidates in exchange for being allowed to campaign in rebel controlled areas. Additionally, in order to sustain and bolster their declining ranks, the communist guerillas have resorted to the recruiting of minors.

Despite the fact that the CPP has been added to the U.S. terrorist watchlist, the Philippine government has pursued peace talks with the CPP in the past. However, talks with CPP representatives have stalled in part because the

³⁹ "Annual Assessment on AFP Internal Security Operations" (briefing presented at the AFP Command Conference for CY 2005, January 15, 2005). http://www.afp.mil.ph/pio-crs/search2.php?entry_id=376 (accessed March 10, 2007). See also "Reds Belittle AFP Vow to Crush Guerilla Fronts," *GMA News.tv*, January 8, 2007, <http://www.gmanews.tv/story/26098/Reds-belittle-AFP-vow-to-crush-guerilla-fronts> (accessed March 10, 2007).

CPP, on its latest bid to acquire greater strength, demanded that they be taken off the list before pursuing peace talks. The Philippine military, however, has found fresh evidence of growing links between the CPP and foreign terrorist organizations that the CPP has vehemently denied. Thus, in June 2006, President Macapagal-Arroyo ordered a reassessment of the government's strategy in addressing the more than three decade old insurgency.⁴⁰ The military strategy for defeating the insurgency is outlined in Internal Security Operations (ISO) Operations Plan (OPLAN) *Bantay Laya*. OPLAN *Bantay Laya* serves as President Arroyo's master plan for delivering the final blow to a 38 year insurgency that no president from Ferdinand Marcos to Corazon Aquino, from Fidel Ramos to Joseph Estrada was able to tame. It is the fourth such counter-insurgency master plan adopted by the government in 25 years.⁴¹

⁴⁰ Fe B. Zamora, "Arroyo war 'end-game' vs NPA OPLAN Bantay Laya to deliver final blow," *INQ7.net*, June 18, 2006, http://news.inquirer.net/nation/index.php?index=1&story_id=79481 (accessed March 10, 2007).

⁴¹ Ibid.

III. A STATE IN CRISIS: WEAKNESS OF THE PHILIPPINE STATE

A. INTRODUCTION

If we were to draw an analogy of the Philippines, it would be that of a petri dish of sorts, whereby the CPP-NPA benefit from a perfect environment characterized by state weakness. State weakness has allowed enemies of the state to exploit contested elections. Military coups have damaged public perception of the government and tarnished the image of the military as an extension of said government. Corruption within both public and private sectors has bled the government's coffers to the tune of millions in lost revenue each year. A lack of agrarian reforms and jobs has pushed the poor and unemployed towards the rank and file of the CPP-NPA where they receive food, money, and shelter. Additionally, the AFP lacks the necessary equipment (i.e., airlift, helicopters, UAVs, etc.) to mount an effective counterinsurgency operation. Combined with low morale, bad equipment, and poor intelligence collection and dissemination, these create the perfect environment for a Maoist-like insurgency to fester. This section will expand on the thoughts presented above and highlight specific examples of Philippine state weakness.

B. POLITICAL CRISES

Several political crises have been in the Philippine headlines which ultimately call into question the administration's ability to effectively govern its people. For example, President Gloria Macapagal-Arroyo has been in political hot water for several years after being caught on tape discussing her reelection with an election official.⁴² In mid-2005, taped conversations between President Gloria Macapagal-Arroyo (GMA) and Commission on Elections (COMELEC) Commissioner Virgilio Garcillano surfaced and came to be called the "Hello Garci" scandal. Analysis of the taped phone conversations alleged that GMA and Garcillano conspired together to ensure that GMA would win reelection by more

⁴² Dana R. Dillon, "Crisis in the Philippines: What does it mean for the U.S.?", *The Heritage Foundation*, <http://www.heritage.org/Research/AsiaandthePacific/wm799.cfm> (accessed February 16, 2007).

than 1 million votes. This election scandal has repeatedly resurfaced with at least three impeachment complaints against the President being referred to the House Committee on Justice.⁴³

Additionally, the Philippines is no stranger to coups d'état. For instance, since the foiled coup that set the stage for the people-power uprising in 1986 and led to the ouster of Ferdinand Marcos from the presidency, a coup in January 2001, unsettling coup rumors in October 2001, and coup attempts in July 2003 and February 2006 have been part of what might be called the Philippine version of democracy.⁴⁴ To put it in perspective,

two of the past five presidents have been ousted by what amounted to civilian-backed military coups. Two others owe their presidencies to the same coups. The only one who entered and departed without military intervention was himself a general. Along the way, there have been innumerable feints and jabs by groups of junior officers whose youth and sense of mission sometimes made them vulnerable to manipulation by civilians with political agendas.⁴⁵

The Arroyo government claimed that it foiled the coup d'état attempt against the administration on February 24, 2006 and by virtue of Proclamation No. 1017, the Philippines was placed under a state of emergency that morning. Proclamation No. 1017 signed by President Gloria Macapagal-Arroyo claimed that

elements in the political opposition have conspired with authoritarians of the extreme Left represented by the NDF-CPP-NPA and the extreme Right, represented by military adventurers—the historical enemies of the democratic Philippine State—who are

⁴³ “House Resolution 895,” Republic of the Philippines, House of Representatives, Thirteenth Congress Second Regular Session, <http://www.pcij.org/blog/wp-docs/HR895NoChaCha.pdf> (accessed February 16, 2007).

⁴⁴ Seth Mydans, “For Philippine Military, Politics Remains a Crucial Mission,” *New York Times*, March 5, 2006, <http://www.nytimes.com/2006/03/05/international/asia/05filip.html?ei=5088&den=d389d7a3d3586b96&dex=1299214800&adaxnnl=6&partner=rssn ytandemc=rssandadaxnnlx=1159542258-dL94sz36cB0jfy9UO6nWqQ> (accessed March 16, 2007).

⁴⁵ Ibid.

now in a tactical alliance and engaged in a concerted and systematic conspiracy, over a broad front, to bring down the duly-constituted Government elected in May 2004.⁴⁶

The February 2006 coup attempt follows the 2003 Oakwood mutiny whereby President Arroyo, members of her cabinet, and the military were charged with corruption by a group of junior officers and enlisted men.

1. Weak Political Parties and Contested Outcomes

The Philippine political environment today operates in an arena in which the media are free and vocal. There is an active civil society consisting of over 14,000 voluntary secular organizations and hundreds of institutes and lay associations affiliated with the Catholic and other churches which is able to provide an outlet for a variety of views outside the traditional political spectrum.⁴⁷ Political structures and institutions such as the Office of the President, Senate, and House of Representatives remain viable and command respect, even when the individuals running them do not. “Despite all this, Philippine democracy exists in an atmosphere of institutionalized crisis. For example, in the last four decades, only one president (Fidel Ramos, 1992-1998) has entered and left office through a regular democratic process.”⁴⁸ Additionally,

National and local posts remain dominated by an unrepresentative elite that is more adept at advancing personal interests than at crafting coherent policies. The bloated bureaucracy has proven highly resistant to reform. The economy has posted credible growth figures, but the benefits of growth remain focused in urban areas, exacerbating the economic gap between the cities and the countryside. Economically depressed “zones of desperation” have evolved in several regions, creating havens for insurgency and sending an unmanageable wave of migrants to swell the ranks of the urban poor.⁴⁹

⁴⁶ Gloria Macapagal-Arroyo, “Proclamation No. 1017,” Malacanang Palace, Manila, http://www.news.ops.gov.ph/proc_no1017.htm (accessed February 16, 2007).

⁴⁷ Gabriella R. Montinola, “Parties and Accountability in the Philippines,” *Journal of Democracy*, Vol. 10 No. 1 (January 1999): 129.

⁴⁸ *Ibid.*, 114.

⁴⁹ *Ibid.*

“The case of a vice-president running for reelection after finishing the term of a president who left office early was unforeseen, and the powers of public office gave Macapagal-Arroyo’s coalition a crucial edge...The party system, already dysfunctional, in effect ceased to exist.”⁵⁰ As Steven Rogers explains, the weakest link in the Philippine democratic process has long been the counting of votes, which can go on for weeks after the election has taken place.⁵¹ The Presidential election of 2004 was no different. When the official results were released six weeks after the election, GMA had won 40 percent of the vote, with her leading opponent (Fernando Poe, Jr.) trailing with 36.5 percent. “The chaotic conduct of the election left allegations of fraud easy to believe and difficult to deny. Many poor voters came away convinced that their selected spokesman had one again been maneuvered out of power by an elite-dominated system that remains beyond their influence.”⁵²

The ongoing election scandal and repeated calls for impeachment have resulted in both low popularity and trust ratings for GMA as revealed by the latest Pulse Asia survey of November 2006. Pulse Asia’s November 2006 *Ulat ng Bayan Survey* reveals a 48% national disapproval rating for the President (Table 2). “Despite her administration’s oft-cited improvements in national economic performance and fiscal management in the two quarters preceding the survey, President Arroyo’s overall performance ratings are not significantly different from those recorded in July 2006 (44% national disapproval rating).”⁵³ With respect to presidential trust ratings, one out of every two Filipinos (50%) distrusts President Arroyo while 21% of those surveyed express trust in her and 28% are unable to say whether they trust or distrust her (Table 3).⁵⁴

⁵⁰ Steven Rogers, “Philippine Politics and the Rule of Law,” *Journal of Democracy*, Vol 15 No. 4 (October 2004): 112.

⁵¹ Ibid., 113.

⁵² Ibid.

⁵³ Pulse Asia, “Media Release on Performance Ratings of President Gloria Macapagal-Arroyo, Other Top National Government Officials, and the National Administration,” *Pulse Asia Inc.*, <http://pulseasia.newsmaker.ph/main.asp?mode=andpage=articleandarticleID=611211093670andsection=Highlights> (accessed February 16, 2007).

⁵⁴ Ibid.

Demographic variables	Approve					Undecided					Disapprove				
	Oct 05	Mar 06	Jul 06	Nov 06	Nov06 - Jul06	Oct 05	Mar 06	Jul 06	Nov 06	Nov06 - Jul06	Oct 05	Mar 06	Jul 06	Nov 06	Nov06 - Jul06
Total Philippines	24	26	26	25	- 1	24	24	29	26	- 3	52	50	44	48	+ 4
NCR	21	23	25	19	- 6	20	22	25	24	- 1	59	55	50	56	+ 6
Balance Luzon	20	24	23	20	- 3	23	25	29	28	- 1	57	51	47	51	+ 4
Visayas	36	35	40	40	0	30	25	30	22	- 8	33	40	30	37	+ 7
Mindanao	25	24	20	26	+ 6	22	23	31	25	- 6	54	52	48	49	+ 1
Class ABC	28	30	32	33	+ 1	17	19	26	24	- 2	56	51	42	40	- 2
TOTAL D	26	26	24	24	0	24	24	31	28	- 3	51	49	45	48	+ 3
E	22	24	29	27	- 2	25	25	28	22	- 6	53	50	44	51	+ 7

Note: *Change = Figures of November 2006 minus Figures of July 2006.

Table 2. Comparative Performance Ratings of President Gloria Arroyo⁵⁵

Demographic variables	Big Trust					Undecided					Small / No Trust				
	Oct 05	Mar 06	Jul 06	Nov 06	Nov06 - Jul06	Oct 05	Mar 06	Jul 06	Nov 06	Nov06 - Jul06	Oct 05	Mar 06	Jul 06	Nov 06	Nov06 - Jul06
Total Philippines	21	22	23	21	- 2	25	28	30	28	- 2	55	50	47	50	+ 3
NCR	13	20	22	18	- 4	18	23	26	28	+ 2	69	57	52	54	+ 2
Balance Luzon	17	22	22	15	- 7	26	31	31	30	- 1	57	47	46	53	+ 7
Visayas	35	32	37	37	0	28	22	27	25	- 2	36	46	36	37	+ 1
Mindanao	20	14	14	22	+ 8	24	33	31	26	- 5	56	52	54	52	- 2
Class ABC	19	24	27	23	- 4	21	21	29	25	- 4	60	54	44	47	+ 3
TOTAL D	23	22	19	21	+ 2	26	29	30	30	0	52	49	50	49	- 1
E	18	21	31	21	- 10	24	30	28	25	- 3	58	49	41	52	+11

Note: *Change = Figures of November 2006 minus Figures of July 2006.

Table 3. Comparative Trust Ratings of President Gloria Arroyo⁵⁶

Party switching is commonplace in the Philippines and the platforms and policies the people vote for often go unrealized. "In the Philippines, politicians who switch parties are rewarded with nominations, access to resources, and prime committee posts by the new party. Furthermore, because politics in the Philippines is personality driven, voters often continue to support politicians even if they switch parties."⁵⁷ For example, five Philippine presidents have switched parties when they either failed or believed they would fail to receive the official party nomination for the presidential election.

⁵⁵ Pulse Asia, *Media Release on Performance Ratings of President Gloria Macapagal-Arroyo, Other Top National Government Officials, and the National Administration*.

⁵⁶ Ibid.

⁵⁷ Council of Asian Liberals and Democrats, "Concept Paper," Council of Asian Liberals and Democrats, http://www.cald.org/missionsandvisits/ndi/philippines/caldndi_mission_phil_concept.htm#_ftn1 (accessed February 18, 2007).

- Manuel Roxas (1946-1948) switched from the Nacionalista Party to the Liberal Party
- Ramon Magsaysay (1953-1957) switched from the Liberal Party to the Nacionalista Party
- Ferdinand Marcos (1965-1986) switched from the Liberal Party to the Nacionalista Party and later to Kilusang Bagong Lipunan
- Fidel Ramos (1992-1998) switched from LDP to Lakas-NUCD-UMDP)
- Gloria Macapagal-Arroyo (2001-present) switched from LDP to Lakas-NUCD-UMDP-KAMPI).

Party switching is prevalent among legislators as well, in part due to the broad powers of the Office of the President. The president's extensive control over discretionary funds encourages legislators to switch to the party of the president. These legislators, then, have greater access to state funds and can provide rewards and other perks to their constituents. For example, during the 1992 Philippine elections, the majority party under the Corazon Aquino administration—Democratic Filipino Struggle (Laban ng Demokratikong Pilipino or LDP)—won 43 percent of the House, while the party of incoming president Fidel Ramos—Strength-National Union of Christian Democrats (Lakas-NUCD)—won only 18 percent.⁵⁸ This presented the LDP representatives with the opportunity to play the role of a strong opposition party within a divided government; however, 62 percent of LDP House members switched parties to join Lakas-NUCD.⁵⁹

The events following the May 1998 elections looked remarkably similar to those that followed the 1992 elections. Joseph Estrada's party—the Struggle of the Nationalist Filipino Masses (Laban ng Masang Makabayang Pilipino or LAMMP)—won 32 percent of the House seats, but was overshadowed by Fidel Ramos's Lakas, which won 54 percent of the House seats. True to form, 57 percent of Lakas representatives switched to LAMMP after the election in order to place themselves within the incoming president's graces. This had the effect of

⁵⁸ Gabriella R. Montinola, *Parties and Accountability in the Philippines*, 137.

⁵⁹ Ibid.

virtually decimating the victorious Lakas party and eliminated the possibility of any sort of meaningful congressional opposition to the new administration.⁶⁰

Party switching results from and ultimately contributes to the lack of strong ideological party affiliations. Because political parties lack firm ideological bases and clear party platforms, politicians do not develop strong ties to parties and will change their party affiliation in order to advance their own self-interests. In turn, parties are unable to develop a clear mandate and platform because their membership is frequently changing party affiliations. Gloria Montinola suggests that "without comprehensive changes in the political party system, the quality of Philippine democracy and its capacity to generate policy changes benefiting the majority of citizens will continue to be compromised by a colossal deficit of accountability. Narrowing the gulf between the rulers and the ruled in the Philippines requires altering political institutions that have hindered the emergence of a strong party system."⁶¹

In an e-mail message to the author on June 19, 2006, Patricio Abinales highlighted that one of the things not always talked about is the fact that the politicians themselves seek out, bargain, and make mutual accommodation with the CPP in order that election results would go their way.⁶² For example, President Arroyo's party,

did not hesitate to "reach out" to the CPP in 2000 and in 2004 to form de facto electoral coalitions that would ensure both their parties win the ballot. At the provincial and local levels, something similar has happened, too. This is especially important for a local political aspirant because the NPA can "deliver" the rural votes that he or she needs. The politician, in turn, can order his patronage networks to vote for *Bayan Muna*, or will promise the CPP access to some of the pork barrel funds that he will eventually get his hands on, once elected.⁶³

⁶⁰ Gabriella R. Montinola, *Parties and Accountability in the Philippines*, 137.

⁶¹ Ibid., 138.

⁶² Patricio Abinales, e-mail to the author on June 19, 2006.

⁶³ Ibid.

One reason why such arrangements are possible is that the staff of politicians like Arroyo includes many ex-CPP cadres or NDF activists who, while already out of "the movement," continue to maintain ties with their former comrades. And like any other close organization, friendships can often outlast or set aside political differences. Hence during electoral campaigns all one needs is to call the other via mobile phone, set up a meeting, and start the bargaining.⁶⁴

The weak party system has often been blamed for Philippine democracy's inability to produce sound governance and meaningful social change because "political parties have failed to structure political competition to allow for the representation of the interests of the poor and marginalized sectors."⁶⁵ Parties structure political competition through their platforms, policies, and prior government involvement. However, political parties in the Philippines are often characterized by the absence of strong ideological agendas and frequent party switching. This has ultimately contributed to the persistence of the communist insurgency because as politicians switch from one political party to the next, they do so without addressing the underlying causes of rural discontent. For example, as campaign promises go unfunded and unfulfilled, many more of the Philippines' poor and disaffected will turn their backs on the government and will instead turn to the CPP-NPA for guidance and assistance.

2. Coup Attempts, Mutiny, and a Declared State of Emergency

Our country needs these coup rumors like we need a hole in the head.

- Presidential Spokesman Rigoberto Tiglao⁶⁶

Talks of overthrowing the government, coup attempts, and military mutinies have been a persistent problem for nearly all of the Philippine

⁶⁴ Patricio Abinales, e-mail to the author on June 19, 2006.

⁶⁵ Joel Rocamora, "Political Parties in Constitutional Reform," *Institute for Popular Democracy*, Summer 2002, http://www.tni-archives.org/detail_page.phtml?page=archives_rocamora_parties (accessed March 17, 2007).

⁶⁶ CNN, "Philippine Market Slides on Coup Rumors," *CNN.com*, October 24, 2001, <http://edition.cnn.com/2001/WORLD/asiapcf/southeast/10/24/phil.markets/> (accessed March 2, 2007).

administrations with the administration of Gloria Macapagal-Arroyo having been particularly hard hit with accusations of governmental misconduct. The coups real or imagined serve to fuel the fires of rebellion in both the civilian population and the military ranks. This section will highlight some of the most recent attempts against the Philippine government and the impact they have had on the government and the people and the effect they have had on the insurgency.

a. October 2001—Rumors of a Coup

Within the first year of her tenure as President, Gloria Macapagal-Arroyo was faced with quelling rumors of a coup attempt against her presidency. Although the government was quick to address the rumors by blaming the opposition for spreading lies that only served to damage Philippine interests, speculation of governmental vulnerability to a coup sent the country's already deteriorating stock market into a 10 year low (Figure 2).

In a statement issued to the public, Presidential spokesman Roberto Tiglao denied the existence of a coup plot (dubbed Black October), saying that President Gloria Macapagal-Arroyo “still holds the support of the people and the military. In this day and age, and especially against an administration that has the support of the people and all institutions including the military, no coup plot could ever get beyond the talking stage.”⁶⁷ This statement would come back to haunt the administration two years later as the following section will highlight.

The Black October coup may not have been real; however, damage to investor confidence by the end of the week had already been done. Having made it through the People Power coup that ousted President Estrada in January fairly unscathed, investors were not willing to risk sitting through another coup and losing everything. This prompted a mass stock sell off which the Arroyo administration would have to spend great amounts of time and energy to reverse in light of negative public sentiment and declining investor confidence.

⁶⁷ CNN, *Philippine Market Slides on Coup Rumors*.



Figure 2. Philippine Stock Exchange Index (PSI) Summary for 1997-2007⁶⁸

⁶⁸ "Philippine Stock Exchange Index Summary," Yahoo Finance, <http://finance.yahoo.com/charts#chart1:symbol=^psi;range=1y;charttype=line;crosshair=on;logscale=on;source=undefined> (accessed March 2, 2007).

b. July 2003—The Oakwood Mutiny

There is absolutely no justification for the actions you have taken...You have already defamed the uniform. Do not drench it with dishonor.

- President Gloria Macapagal-Arroyo⁶⁹

On July 27, 2003, approximately 300 Philippine officer and enlisted soldiers and sailors took control of a shopping center and apartment complex in the Manila suburb of Makati. Because of the location (Oakwood Premier Ayala Center) the event would come to be known as the Oakwood Mutiny. A spokesman for the military mutineers told reporters that his group was “not attempting to grab power, but was just trying to express [its] grievances.”⁷⁰ Those grievances included allegations that the Arroyo government and the armed forces were selling arms and supplies to rebel groups; that President Gloria Macapagal-Arroyo, her defense secretary, and the intelligence chief had planned and orchestrated several bombings in the city of Davao in March and April 2003 in order to receive more aid from the United States to fight terrorism. There were also allegations that President Arroyo was planning to declare martial law so that she could stay in power after the end of her term in 2004.⁷¹

The mutineers surrendered after Arroyo gave them a five-hour ultimatum and the entire crisis lasted just 20 hours.

For supposedly intelligent young officers who are said to be the “best and the brightest” of Philippine Military Academy (PMA) class of 1995, their claim that the President intends to prolong her term by declaring martial law reflects faulty reading of the political climate in the country. By such claim, the rebels showed political immaturity and amateurish judgments. It showed them as no better

⁶⁹ Maria Ressa, “Arroyo Sets Deadline for Mutineers,” *CNN.com*, July 26, 2003, <http://www.cnn.com/2003/WORLD/asiapcf/southeast/07/26/arroyo.officers/index.html> (accessed March 2, 2007).

⁷⁰ Luis V. Teodoro, “The Coup Next Time,” *Today*, Manila, Philippines, July 29, 2003, <http://www.worldpress.org/Asia/1384.cfm> (accessed March 2, 2007).

⁷¹ *Ibid.*

than the opposition. They grossly misread the President's political style. They must have been thinking of Ferdinand Marcos' reasons for declaring martial law.⁷²

The mutiny failed to bring about the type of sweeping changes that were ushered in by EDSA-1 and EDSA-2⁷³ yet it managed to once again highlight the urgency of undertaking reforms within both the military establishment and the government.

c. February 2006—A State of Emergency

Philippine President Gloria Macapagal-Arroyo declared a state of emergency on February 24, 2006 following the discovery and public announcement of an alleged coup attempt against her administration. Presidential spokesman Ignacio Bunye released information that Arroyo had signed Proclamation No. 1017 Declaring a State of National Emergency. In the declaration, President Arroyo invoked Section 18, Article 7 of the Constitution that allows the President to call on the armed forces to prevent or suppress rebellion.⁷⁴

President Arroyo claimed that several months prior to the February declaration of a state of emergency,

elements in the political opposition had conspired with authoritarians of the extreme Left represented by the NDF-CPP-NPA (National Democratic Front-Communist Party of the Philippines-New People's Army) and the extreme Right, represented by military adventurists—the historic enemies of the democratic Philippine State—who are now in a tactical alliance and engaged in a concerted and systematic conspiracy, over a broad front, to bring down the duly constituted government elected in May 2004.⁷⁵

⁷² "Insights from the Oakwood Mutiny," *Inquirer.net*, July 30, 2003, http://www.inq7.net/opi/2003/jul/30/opi_amdoronila-1.htm (accessed September 26, 2006).

⁷³ EDSA or as the media have come to call it "people power revolution" is an acronym derived from Epifanio de los Santos Avenue, the highway that encircles Metro Manila. EDSA holds a place in the recent history of the Philippines as the site of two peaceful demonstrations that toppled the administrations of Ferdinand Marcos (1986) and Joseph Estrada (2001).

⁷⁴ Gov.ph News, "PGMA declares a State of National Emergency," *Gov.ph News*, February 24, 2006, <http://www.gov.ph/news/?i=14515> (accessed March 3, 2007).

⁷⁵ Ibid.

Arroyo said this series of actions were “hurting the Philippine State by obstructing governance including hindering the growth of the economy and sabotaging the people’s confidence in government and their faith in the future of this country...These activities give totalitarian forces of both the extreme Left and extreme Right the opening to intensify their avowed aims to bring down the democratic Philippine State.”⁷⁶

Two days after Proclamation No. 1017 Declaring a State of National Emergency was released, Malacañang (the official residence of President Arroyo) released a "Chronology of Conspiracy" that highlighted efforts of the communist underground, certain military officers, and some members of the political opposition to overthrow the government which prompted President Arroyo to issue Proclamation No. 1017. The three-page document cited the series of events leading up to the issuance of Proclamation No. 1017.

- On 17 January, four officers among the Magdalo group on trial for the 2003 Oakwood mutiny, escaped military custody.
- New People’s Army spokesman Ka Roger Rosal offered sanctuary to the four escaped Magdalo rebel soldiers.
- A captured document titled "Oplan Hackle" detailed plans for bombings and attacks starting on the Philippine Military Academy alumni homecoming on 18 February. The document also included a plan to free more Magdalo soldiers being held in custody.
- Pro-Estrada supporters hold daily vigils and masses at the People Power Monument since 12 February.
- CPP-linked groups mounted rallies from 17 to 22 February. In weeks prior, the New People’s Army intensified attacks on government troops.
- On 20 February anti-Arroyo groups announced plans to march 20,000 protesters on 22 February around Metro Manila, converge at the People Power Monument on 23 February, and possibly move to Mendiola on 24 February.
- On 21 February, one of the escaped soldiers, Lt. Lawrence San Juan, was arrested while plotting with two NPA figures in a communist safehouse in Batangas province.

⁷⁶ Gov.ph News, *PGMA declares a State of National Emergency*.

- The CPP directed front organizations to stage mass protests on 24 February, with 5,000 participants from Metro Manila and 25,000 from nearby provinces.
- On 23 February, residents near the Philippine National Police Special Action Force (SAF) base were told to take precautions because some SAF elements were planning to defect.
- Late afternoon of 23 February, Brigadier General Danilo Lim and Marine brigade commander Colonel Ariel Querubin told AFP Chief of Staff General Generoso Senga that restive young officers and soldiers planned to join rallies on 24 February, so as to provide critical mass and the armed component to the protests.⁷⁷

Peter Wallace, a business consultant who has lived in the Philippines for more than 30 years, noted that the problem facing President Arroyo is that she will be spending all her time putting out political fires and looking over her back and not concentrating on the real job of putting the country right.⁷⁸ Randy David, a columnist with the Philippine Daily Inquirer who was arrested during the state of emergency, wrote that there were striking parallels between Arroyo's announcement and Marcos' proclamation to announce a nationwide state of emergency in February 1986. He said, "How uncanny that Ms. Arroyo should choose the same date to announce the same draconian measures to suppress the same perceived conspiracy supposedly between the extreme left and extreme right."⁷⁹

Regardless of whether there was actually a concerted effort by authoritarians of the extreme Left (represented by the CPP-NPA-NDF) and the extreme Right (represented by military adventurists) to overthrow the Arroyo government, the damage to her public image has been done. Although the state of emergency was lifted several days later, the days of Marcos-imposed martial law are still fresh in Filipino minds. As long as there are individuals with access to

⁷⁷ Gov.ph News, "Malacanang releases 'Chronology of Events' leading to declaration of State of National Emergency," *Gov.ph News*, February 26, 2006, <http://www.gov.ph/news/?i=14520> (accessed March 3, 2007).

⁷⁸ Peter Wallace, "State of emergency seen hurting Philippine credibility," *INQ7.net*, February 27, 2006, http://news.inquirer.net/top/index.php?index=1&story_id=67728 (accessed March 3, 2007).

⁷⁹ Ibid.

media outlets who can draw parallels between the Arroyo government's actions and the Marcos regime, President Arroyo will have to work twice as hard to ensure her actions are viewed as nothing less than honorable.

3. Conclusion

The 2001 Black October coup, the 2003 Oakwood mutiny, and the 2006 state of emergency have done more than just tarnish President Arroyo's public image; they have also hurt the country's credibility on the international market and likely deterred some much needed foreign investment. For example, according to analysts at neoIT (a consulting firm that is focused on helping leading firms improve operations and grow their business by capitalizing on globalization), the political uncertainty surrounding the Philippines has sent negative signals to the international community of foreign investors.⁸⁰ Those who do choose to invest in the Philippines do so amid "continued restrictions on land ownership and lingering concerns about the business environment, including an inefficient legal system, aging infrastructure, widespread corruption, and political and security risks."⁸¹

Increased foreign investment in the Philippines could bolster economic growth, create jobs, and increase exports, all of which could improve the economy and boost popular support for the government. These factors would, in turn, have a positive effect on countering the communist insurgency. For example, as jobs are created and development projects undertaken, a segment of the population previously willing to turn to the CPP-NPA for help, will instead turn to the government. Additionally, increased public confidence would effectively serve to undercut the influence the CPP-NPA have over the portion of the population who feel as though the current administration has turned its back

⁸⁰ neoIT, "About neoIT," *neoIT.com*, http://www.neoit.com/gen/company/about_neoit.html (accessed March 3, 2007).

⁸¹ "Executive Summary," *Philippines Business Forecast Report 2nd Quarter, 2007*, 5.

on them. Unfortunately, those who were considering making investments in the Philippines may likely be thinking twice about doing so in light of political and economic volatility.⁸²

Political instability has contributed to repeated budget deficits which have led to a sharp rise in public debt—which still exceeds 60% of Gross Domestic Product.⁸³ Additionally, the cash-strapped government spends around one third of its revenue making interest payments on its outstanding borrowings, unemployment remains as high as 8%, and the forecasted jobless rate remains high as long as economic growth falls short of the level needed to create jobs for a fast-expanding labor force.⁸⁴ The state's inability to draw on capital from foreign investment for economic reform, job creation, and an overall lack of public confidence in the administration have all combined to hinder the government's campaign against the communist insurgents.

C. CORRUPTION

Bureaucratic corruption with its numerous leakages is bad. So is government incompetence. Unlike in the private sector, where the free market punishes mistakes, government incompetence punishes only the public. We have to tear away layers of inefficiency piled on by decades of political accommodation: redundancy in the national service, waste in local governments, and pointless procedures for getting done what isn't needed anyway to secure the public welfare. Just how does paying off the health inspector banish bacteria from a dirty kitchen?

- President Gloria Macapagal-Arroyo⁸⁵

⁸² neoIT, "Will Political Instability of Philippines Dramatically Impact Country's Offshore Outsourcing Industry?," *neoIT.com*, March 6, 2006, http://www.neoit.com/gen/knowledgecenter/Articles/Mar_06_Philippines_Impact_of_Current_Political_Developments.pdf (accessed March 3, 2007).

⁸³ "Economic Outlook," *Philippines Business Forecast Report* 2nd Quarter, 2007, 11.

⁸⁴ *Ibid.*

⁸⁵ President Gloria Macapagal-Arroyo, "A New Direction: Putting People First in an Era of Change and National Renewal," (state of the nation address presented at the Philippine House of Representatives, Manila, Philippines, July 26, 2004).

1. Corruption Defined

Terrorists and organized criminal groups such as the CPP-NPA have been able to exploit systemic weaknesses in the Philippines through corrupt practices. As one observer noted, “they have duped and suborned individuals in government into virtually selling their sovereignty so as to create ‘states of convenience’ for themselves.”⁸⁶

Just as there are many definitions for terrorism, corruption has many different definitions as well. Corruption is often defined as the misuse of public power for private gain. The World Bank defines corruption as “the abuse of public office for private gain.”⁸⁷ One problem with this definition is that it is rather vague. Questions can be drawn as to the extent of the terms “public office” and “private gains.” The definition hints that corruption is limited to government officials and does not include private firms or individuals with extensive ties to government activities.

A longer definition of corruption provided by the Asian Development Bank states that corruption

involves behavior on the part of officials in the public and private sectors, in which they improperly and unlawfully enrich themselves and/or those close to them, or induce others to do so, by misusing the position in which they are placed.⁸⁸

Joseph Nye provides a more specific definition. He defines corruption as

...behavior which deviates from the formal duties of a public role because of private-regarding (family, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence. This includes such behavior as bribery; use of a reward to pervert the judgment of a person in a position of trust; nepotism (bestowal of patronage by

⁸⁶ Kimberly Thachuk, “Corruption: The International Security Dimension,” *National Defense University*, http://www.ndu.edu/inss/symposia/Pacific2002/Thachukpaper.htm#_edn2 (accessed January 26, 2007).

⁸⁷ Cheryl W. Gray and Daniel Kaufman, “Corruption and Development,” *World Bank*, <http://info.worldbank.org/etools/docs/library/18125/gray.pdf> (accessed January 26, 2007).

⁸⁸ Asian Development Bank, “Corruption: The Costs, Consequences, and Implications for Local Governments” (paper presented at the seminar for Mayors on Fiscal Decentralization and Local Government Policy, Antalya, Turkey, June 21-22, 1999).

reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding uses).⁸⁹ This definition is widely accepted by the anti-corruption community.

In conjunction with the Center for International Crime Prevention, the United Nations has prepared the Manual on Anti-Corruption Policy, in accordance with Economic and Social Council Resolutions 1995/14, 1996/8 and 1998/16, and General Assembly Resolutions 51/59 and 54/128. The document defines corruption as an

...abuse of public power for private gain that hampers the public interest. This gain may be direct or indirect. Most of the time, corruption entails a confusion of the private with the public sphere or an illicit exchange between the two spheres. In essence, corrupt practices involve public officials acting in the best interest of private concerns (their own or those of others) regardless of, or against, the public interest. The bottom line is that corruption entails public officials using their power to benefit themselves or those around them in some way.⁹⁰

Whichever definition we choose to use, corruption encompasses a wide range of phenomena, from a police officer who accepts money from drug dealers to turn a blind eye to their activity, to a customs agent who extorts from legitimate businesses, to the politician who receives a bribe to vote one way or another. As different as these phenomena are, they may be driven by the same causes and have similar detrimental effects upon economic and social outcomes.

2. Prevalence of Corruption

In his article, *De-institutionalizing Corruption in the Philippines*, Eric Batalla, claims

When corrupt behaviors are perennially extensive or pervasive in society, it can be said that corruption has been institutionalized. It has become a way of life, a goal, and an outlook towards the public

⁸⁹ Joseph Nye, "Corruption: A Cost-Benefit Analysis," in *Political Corruption Handbook*, ed. Arnold J. Heidenheimer (New York: Transaction Publishers, 1989), 967-68.

⁹⁰ United Nations, "United Nations Manual on Anti-Corruption Policy," *United Nations*, <http://www.unodc.org/pdf/crime/gpacpublications/manual.pdf> (accessed January 26, 2007).

office. Institutionalized corruption is a problem that thrives in the weakness of both public and private institutions to act as effective fiscalisers [sic] for the greater public good.⁹¹

Corruption is prevalent in the Philippines and has indeed reached institutionalized levels. Such a reality is reflected by a general perception as documented by Social Weather Stations (SWS)⁹² and Transparency International.⁹³ In partnership with the Makati Business Club, SWS has undertaken a series of *Surveys of Enterprises on Corruption* since 2000 within the auspices of the Transparent Accountable Governance project. The surveys were funded by The Asia Foundation from resources provided by the United States Agency for International Development (USAID). Of particular interest are the data obtained by SWS regarding both public and private sector corruption within Metro Manila, Metro Cebu and Metro Davao, Cavite-Laguna-Batangas, and Cagayan de Oro-Iligan.

a. Public Sector Corruption

Data obtained by SWS revealed that 66% of managers reported seeing “a lot” of corruption in the public sector in the 2005 survey, showing essentially no trend (either steady increase or decrease) over the past five years. However, this represented an overall decrease from a high of 77% in 2001 after the downfall of the Estrada administration (Table 4).

⁹¹ Eric Batalla, “De-institutionalizing Corruption in the Philippines,” *Perspectives*, no.3. (Makati, Philippines: Konrad-Adenauer Stiftung, 2000): 47.

⁹² Founded in 1985, Social Weather Stations (SWS) is a nonprofit social research institution comprised of social scientists specializing in economics, political science, sociology, statistics, and market research. SWS measures social indicators such as self-rated poverty and hunger, quality of life, optimism in the economy, and satisfaction with the President.

⁹³ Transparency International is a civil society organization leading the fight against corruption. It is a global network of 90 locally established national chapters and chapters-in-information. It brings people together in a worldwide coalition to end the devastating impact of corruption on men, women and children around the world.

TABLE 1**“How much corruption do you think there is in the public sector?”**

	2000 (NCR)	2001 (NCR)	2002/03 (NCR)	2003/04 (NCR/C/D)	2005 (5 areas)
A lot	63%	77%	60%	66%	66%
Some	25	19	29	26	28
A little	10	4	10	6	5
None	2	0	1	2	1

Source: The SWS Surveys of Enterprises on Corruption

Table 4. Philippine Perception of Public Sector Corruption⁹⁴

Fifty-four percent of managers surveyed said that most or almost all companies in their line of business practice bribery to win public sector contracts, the median estimated allotment for bribery being 15%.⁹⁵ Significant numbers of managers also indicated that their companies were asked for bribes in relation to getting local government and national government permits and licenses, paying income taxes, complying with import regulations, collecting receivables from the government, supplying the government with goods or services, and availing of government incentives (Table 5).⁹⁶ But only 8% of those who were solicited reported it to any public or private anti-corruption group.

⁹⁴ Social Weather Stations, “2005 SWS Survey of Enterprises on Corruption,” http://www.mbc.com.ph/pdf/tag5_press_rel.pdf (accessed January 27, 2007).

⁹⁵ Ibid.

⁹⁶ Ibid.

Solicitation of bribes, 2005, by transaction with government

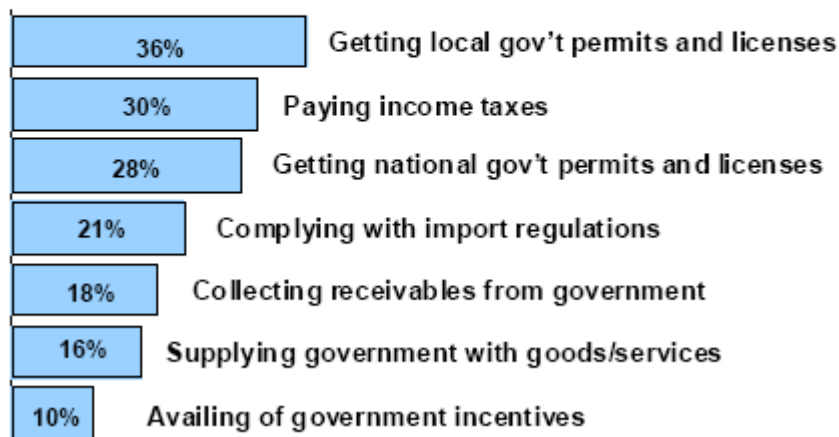


Table 5. Solicitation of Bribes⁹⁷

b. Private Sector Corruption

The 2005 SWS Survey of Enterprise on Corruption indicated that corruption also exists within the private sector, with 10% of managers seeing “a lot” of it (Table 6). Twenty-seven percent say that most or almost all companies in their own line of business give bribes to win private sector contracts, the median estimated allotment for bribery being 10%. House-cleaning is also required in the private sector, with only 48% of the managers saying that all companies in their sector always demand receipts, only 32% saying that all companies always issue receipts, only 23% saying that all companies keep only one set of books, and only 18% saying that all companies pay taxes honestly.⁹⁸

⁹⁷ Social Weather Stations, 2005 SWS Survey of Enterprises on Corruption.

⁹⁸ Ibid.

TABLE 7**"How much corruption is there in the private sector?"**

	2000 (NCR)	2001 (NCR)	2002/03 (NCR)	2003/04 (NCR/C/D)	2005 (5 areas)
A lot	14%	9%	13%	9%	10%
Some	39	44	43	34	37
A little	43	44	41	49	48
None	4	3	3	8	5

Source: The SWS Surveys of Enterprises on Corruption

Table 6. Philippine Perception of Private Sector Corruption⁹⁹

c. Summary of Findings

The SWS Surveys of Enterprises conducted from 2000-2005 indicate that public sector corruption is dismally high and that 95% of managers surveyed indicated seeing at least “a little” corruption in the private sector. “They reveal that while, on the one hand corruption has hardly budged in the past five years, on the other hand the private sector’s indignation and willingness to participate, both financially and personally, in fighting corruption has been growing rapidly.”¹⁰⁰ Transparency International’s 2006 Corruption Perceptions Index (CPI) “shows the machinery of corruption remains well-oiled, despite improved legislation”¹⁰¹ with the Philippines obtaining a CPI score of 2.5.¹⁰² Thirteen surveys were used to calculate the Philippines’ CPI score which proved to be low enough to rank it 126 out of 163 countries analyzed. On a positive note, those interviewed by SWS tallied the cost of corruption and the potential returns from defeating it and indicated they would support anti-corruption efforts and that an anti-corruption program is a good investment¹⁰³ (Table 7).

⁹⁹ Social Weather Stations, *2005 SWS Survey of Enterprises on Corruption*.

¹⁰⁰ Ibid.

¹⁰¹ Transparency International, “Transparency International Corruption Perceptions Index 2006,” http://www.transparency.org/policy_research/surveys_indices/cpi/2006 (accessed January 31, 2007).

¹⁰² CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts, and ranges between 10 (highly clean) and 0 (highly corrupt).

¹⁰³ Social Weather Stations, *2005 SWS Survey of Enterprises on Corruption*.

TABLE 12

"Is your company interested in the following activities to support groups fighting corruption?"

	Definitely Interested	Probably interested	Total Interested
Donating funds	21%	54%	75%
Volunteering staff members to join a gov't project monitoring group on company time	17%	45%	62%
Paying for expenses	13%	45%	58%
Volunteering staff members to join a gov't agency's Bids & Awards Committee on company time	16%	41%	57%

Source: The 2005 SWS Survey of Enterprises on Corruption

Table 7. Willingness to Support Groups Fighting Corruption¹⁰⁴

3. Measures Employed to Control Graft and Corruption

The Philippine government employs a number of legal measures and anti-corruption bodies to combat the problem of graft and corruption. Some of the more important measures include:

- **The 1987 Philippine Constitution:** Article XI, Section 1 of the 1987 Philippine Constitution, states that public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives. Article XI, Section II states that the President, Vice-President, members of the Constitutional Commissions and the Ombudsman may be removed from office on impeachment for bribery and graft and corruption.¹⁰⁵
- **Republic Act No. 3019:** This act defines corrupt practices of any public officer, declares them unlawful, and provides the corresponding penalties of imprisonment, perpetual disqualification from public office, and confiscation or forfeiture of unexplained wealth in favor of the government.¹⁰⁶
- **Republic Act No. 6713:** This act promotes a high standard of ethics and requires all government personnel to make an accurate statement of assets and liabilities, disclose net worth and financial

¹⁰⁴ Social Weather Stations, *2005 SWS Survey of Enterprises on Corruption*.

¹⁰⁵ "Article 11: Accountability of Public Officers," *1987 Constitution of the Republic of the Philippines*, <http://www.gov.ph/aboutphil/a11.asp> (accessed March 3, 2007).

¹⁰⁶ The Lawphil Project, "Republic Act No. 3019," *The Lawphil Project*, http://www.lawphil.net/statutes/repacts/ra1960/ra_3019_1960.html (accessed March 3, 2007).

connections. It also requires new public officials to divest ownership in any private enterprise within 30 days from assumption of office to avoid conflict of interest.¹⁰⁷

- **Republic Act No. 6770:** This act provides the functional and structural organization of the Office of the Ombudsman which will be discussed more in depth in section 4 of this chapter.
- **Republic Act No. 7080:** This act penalizes any public officer who by himself or in connivance with members of his family, relatives by affinity or consanguinity, business associates, accumulates or acquires ill-gotten wealth, through a combination of series of event criminal acts, an aggregate amount to total value of at least seventy-five million pesos (P75,000,000).¹⁰⁸
- **Republic Act No. 8249:** This classifies the *Sandiganbayan* as a special court and places it on par with the Court of Appeals.¹⁰⁹
- **Presidential Decree No. 46:** Declares it unlawful for government personnel to receive gifts and for private persons to give gifts on any occasion including Christmas, regardless of whether the gift is for past or future favors. It also prohibits entertaining public officials and their relatives.¹¹⁰
- **Presidential Decree No. 677:** Requires the Statement of Assets and Liabilities to be submitted every year.¹¹¹
- **Presidential Decree No. 749:** Grants immunity from prosecution to givers of bribes and other gifts and to their accomplices in bribery charges if they testify against the public officials or private persons guilty of those offenses.¹¹²
- **Office of the Ombudsman (OMB):** The OMB investigates and acts on complaints filed against public officials and employees, and serves as the people's watchdog of the government.

¹⁰⁷ The Lawphil Project, "Republic Act No. 6713," *The Lawphil Project*, http://www.lawphil.net/statutes/repacts/ra1989/ra_6713_1989.html (accessed March 3, 2007).

¹⁰⁸ The Lawphil Project, "Republic Act No. 7080," *The Lawphil Project*, http://www.lawphil.net/statutes/repacts/ra1991/ra_7080_1991.html (accessed March 3, 2007).

¹⁰⁹ The Lawphil Project, "Republic Act No. 8249," *The Lawphil Project*, http://www.lawphil.net/statutes/repacts/ra1997/ra_8249_1997.html (accessed March 3, 2007).

¹¹⁰ "Presidential Decree No. 46," http://www1.oecd.org/daf/asiacom/pdf/philippines_pres_decree_46.pdf (accessed March 3, 2007).

¹¹¹ The Lawphil Project, "Presidential Decree No. 677," *The Lawphil Project*, http://www.lawphil.net/statutes/presdecs/pd1975/pd_677_1975.html (accessed March 3, 2007).

¹¹² The Lawphil Project, "Presidential Decree No. 749," *The Lawphil Project*, http://www.lawphil.net/statutes/presdecs/pd1975/pd_749_1975.html (accessed March 3, 2007).

- **The Civil Service Commission (CSC):** The CSC is the central agency of the government mandated to establish a career service and promote moral, efficiency, integrity, responsiveness, progressiveness, and courtesy in the civil service. It has jurisdiction over administrative cases including graft and corruption brought before it on appeal.
- **The Commission on Audit (COA):** The COA is the watchdog of the financial operations of the government. It is empowered to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property under the custody of government agencies and instrumentalities. It shall promulgate accounting and auditing rules and regulations for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures, or use of government funds and properties.¹¹³
- **The Sandiganbayan:** The *Sandiganbayan* is the anti-graft court of the Philippines. It has jurisdiction over civil and criminal cases involving graft and corrupt practices and such other offenses committed by public officers and employees. It is in charge of maintaining morality, integrity and efficiency in the public service.

4. **Anti-Graft / Corruption Proceedings**

From the information presented above regarding the prevalence of corruption in the Philippines, there appears to be a justifiable public perception of corruption in the judicial, executive, and legislative branches. “The perception remains of a ‘very high’ and ‘steady’ level of corruption in public agencies.”¹¹⁴ As a result, both the government and the private sector have established a number of anticorruption bodies including the Office of the Ombudsman (OMB) and an anticorruption court known as *Sandiganbayan*. *Sandiganbayan* has “jurisdiction over criminal and civil cases involving graft and corrupt practices and such other offenses committed by public officers and employees, including those in government-owned or controlled corporations, in relation to their office as may be determined by law.”¹¹⁵ The OMB is charged with the following duties:

¹¹³ Commission on Audit, “General Information about the Commission on Audit,” *Commission on Audit*, http://www.coa.gov.ph/Gen_Information.htm (accessed March 3, 2007).

¹¹⁴ Bureau of Democracy, Human Rights, and Labor, “Country Reports on Human Rights Practices 2005,” *U.S. Department of State*, <http://www.state.gov/g/drl/rls/hrrpt/2005/61624.htm> (accessed January 31, 2007).

¹¹⁵ Article 13, Section 5, *1973 Constitution of the Republic of the Philippines*, <http://sandigan.supremecourt.gov.ph/sbabout.html> (accessed January 31, 2007).

1. as watchdog, it oversees the general and specific performance of official functions to the end that the laws are properly administered.
2. as mobilizer, it ensures that the government provides steady and efficient delivery of basic services.
3. as official critic, it evaluates existing procedures and practices in government with the view of refining them.
4. as dispenser of justice, it imposes administrative sanctions on erring government officials and employees, and prosecutes them in court for criminal offenses.¹¹⁶

Specifically, the Office of the Ombudsman is mandated to serve as the lead agency in the total war against graft and corruption with the ultimate objective of restoring integrity and efficiency in the government service.¹¹⁷

The OMB released its Annual Report in 2005 which listed several high profile cases that were opened against high-ranking military officers and against officials in the Department of Public Works and Highways, the Bureau of Customs, and the Department of Transportation and Communication. The 2005 Annual Report also included cases brought before the *Sandiganbayan*. Some of the more notable cases are listed below.

a. Military

(1) Case No.: OMB-P-C-03-1439-L.¹¹⁸ A complaint filed against a Brigadier General, a Major, an engineer from Philippine Air Force and an engineer from Eduard Enterprises (all individuals unnamed) was made following an investigation report from the Military Support Unit Cebu (MSUC), AFP Logistics Center, Cebu City, and the AFP Office of the Inspector General declaring the loss of four caterpillar generators at the Mactan Benito Ebuen Air Base.

Facts presented to OMB and pieces of evidence obtained by Ombudsman investigators revealed the existence of a conspiracy among the

¹¹⁶ Office of the Ombudsman, "Role of the Office of the Ombudsman," *Office of the Ombudsman*, <http://www.ombudsman.gov.ph/page.php?pid=12> (accessed January 31, 2007).

¹¹⁷ Ibid.

¹¹⁸ Office of the Ombudsman, "2005 Annual Report," *Office of the Ombudsman*, <http://www.ombudsman.gov.ph/page.php?pid=151> (accessed January 31, 2007).

accused individuals. Upon further investigation, it was found that the generators were sold for a loss without proper authorization. The sale of the equipment for a losing price and absent the conduct of public bidding was disadvantageous to the government, thereby making the Philippine Air Force officers liable for malversation (corrupt behavior in public office) of government property and violation of Anti-Graft Law. The Brigadier General, being the immediate administrator of all the properties within his area of control, was responsible for the safekeeping of the four generators yet did not prevent their anomalous disposition. The Major admitted participation from the time he verified the status of the generators to the time the same were released from the base. An Engineer was liable for he facilitated the unlawful sale of the generators to the would-be-buyer from the Eduard Enterprises.

(2) Case No.: OMB-P-C-0185-A and OMB-P-C-05-0184-A.¹¹⁹ A Lieutenant General from Air Force Logistics and Support Command, his family, sister and brother-in-law were investigated by the Office of the Ombudsman. The case involved a violation of Republic Act No. 3019 and Republic Act No. 1379 for owning and acquiring properties which are manifestly out of proportion to salary and other legitimate family income. OMB ordered the filing of a petition for the forfeiture of the respondents' unexplained wealth amounting to Php135,280,822.11 (\$2,766,478.98US). The accused owned several acres of land in Bukidnon and Rizal, condominiums in the Philippines, a house and land in the United States, several vehicles, and other properties which are out of proportion to his income as a public officer and his other lawful income.

Further, the Ombudsman found the respondent liable for eleven (11) counts of Perjury. The failure of the respondent to declare all his properties in his Statement of Assets and Liabilities and Net Worth from 1993 to 2003 made him liable for Perjury under Article 183 of the Revised Penal Code. He was also found guilty for administrative offenses of Grave Misconduct and Dishonesty which carry the penalty of dismissal from the service. However, since

¹¹⁹ Office of the Ombudsman, *2005 Annual Report*.

the respondent already retired from the service in 2004, such penalty of dismissal from service could no longer be imposed. Accordingly, in view of such finding, the Ombudsman found him not entitled to claim any retirement benefit and other benefits, and is declared perpetually disqualified from entering public service again.

(3) Case No.: OMB-P-C-05-0289-B and OMB-P-A-05-0263-B.¹²⁰ The Comptroller of the Armed Forces and his family were charged with plunder and several counts of perjury before the *Sandiganbayan*. Based on the criminal information for plunder, the accused Comptroller able to “amass, accumulate and acquire ill-gotten wealth in the form of funds, landholdings and other real and personal properties, in the aggregate amount of Php303,272,005.99 in conspiracy with members of his immediate family and other persons.”¹²¹

The Perjury case stemmed from the alleged failure of the former comptroller to include in his Statements of Assets and Liabilities and Net worth (SALN) for the years 1997, 1998, 1999 and 2000 certain motor vehicles owned by him and his family such as a Toyota Previa, a Mitsubishi L-300 Van de Luxe, and a 1997 Honda Civic. Additionally, deposits and investments he made in the Armed Forces and Police Savings and Loan Association, amounting to Php12,003,117.70 were not included in his SALN for the year 2000.

b. Government

(1) Case No.: OMB-C-A-05-0358-G.¹²² An administrative case associated with Grave Misconduct was filed against the City Councilor of Manila. The complainant alleged that the City Councilor demanded Php1,200,000 from her in connection with the complainant’s application to renew the Abucay Market Corporation franchise. The OMB found that the respondent

¹²⁰ Office of the Ombudsman, *2005 Annual Report*.

¹²¹ Ibid.

¹²² Ibid.

was characterized by “corruption and clear intent to violate the law showing the commission of the administrative offense of Grave Misconduct.”¹²³

The Office of the Ombudsman found the respondent guilty of Grave Misconduct and levied against the City Councilor the penalty of dismissal from the service with the additional penalty of forfeiture of retirement benefits and perpetual disqualification for re-employment in the government service.

(2) Case No.: OMB-C-C-03-0729-L, OMB-V-C-0240-E, and OMB-V-A-02-0214-E.¹²⁴ These cases were the result of an exposé made by the Philippine Center for Investigative Journalism against the former District Revenue Officer of the Bureau of Internal Revenue in Talisay City and now reassigned as Chief Revenue Officer in Cebu City. The cases stem from violations of Republic Act No. 1379 (An Act Declaring Forfeiture in Favor of the State Any Property Found to Have Been Unlawfully Acquired by any Public Officer or Employee and Providing for the Procedure Therefor) and Republic Act No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees).

The investigation conducted on the official revealed that he and his wife maintained an account in three separate Cebu-based banks in the amount of Pph5,793,881.39. After thorough investigation, the OMB found probable cause to dismiss the Revenue Officer from service for the administrative offense of Dishonesty and ordered the forfeiture of the respondent’s benefits, cancellation of his eligibility, and his perpetual disqualification to hold public office. “A criminal case was also filed before the appropriate court against the respondent, for acquiring unexplained wealth manifestly out of proportion to his salary as a government official and for failure to disclose his properties in his SALN.”¹²⁵

¹²³ Office of the Ombudsman, *2005 Annual Report*.

¹²⁴ Ibid.

¹²⁵ Ibid.

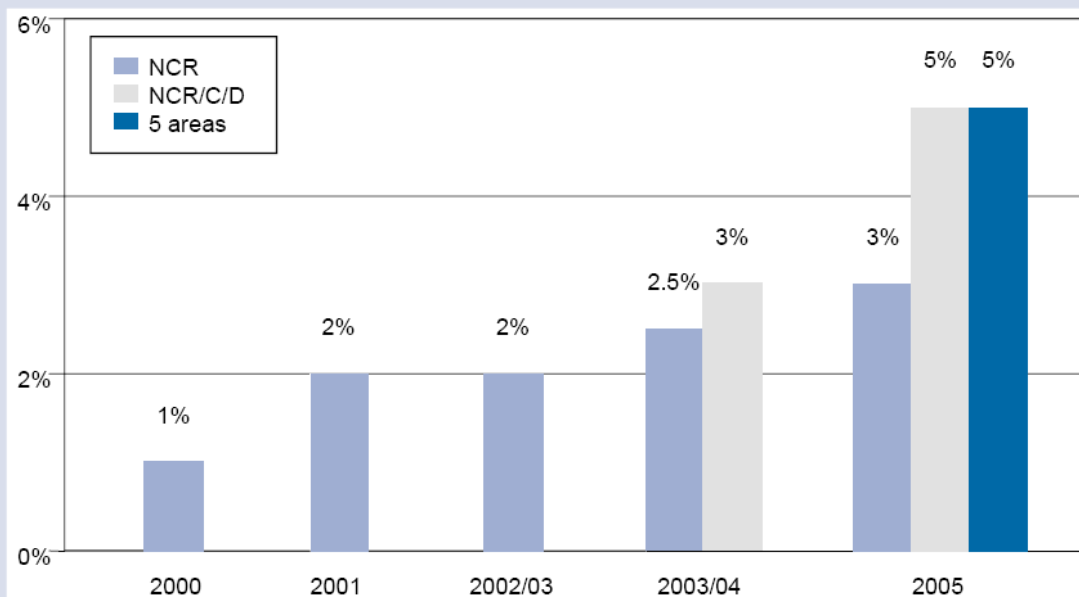
5. Conclusion

Filipino society is built around the concepts of *pakikisama* (getting along well with others) and *utang na loob* (debt of gratitude). These concepts create strong patron-client relations and a close knit hierarchy that links the poor to the rich. Unfortunately, these concepts are abused to the point that public and private sectors are rife with corruption. Filipinos foster and build these interpersonal relationships by bribing government and local officials in exchange for basic civil services or assisting friends and family to get jobs or construction contracts. At the lowest levels, bribes are given for everything from driver's licenses to building permits. From a Filipino perspective, there is nothing wrong with this behavior. It is simply seen as a way to get through modern society and maintain personal relationships as well as a way to take care of immediate and extended family and friends.

The Philippines has at its disposal many avenues with which to combat corrupt behavior within the government and military. As illustrated earlier, the state has a comprehensive set of laws on the books and several organizations capable of investigating alleged instances of graft and corruption. The anti-corruption agencies (i.e., OMB, CSC, COA, and *Sandiganbayan*) have been given ample power to identify and punish offenders and recognize the burden associated with holding a position of power and have given priority to catching the "big fish" and grave offences vis-à-vis the acts of lower ranking personnel (e.g., Presidential Decree No. 749). The Philippine state approaches corruption from both a preventive and punitive point of view with officials recognizing that the task of combating corruption lies not only with the government. As such, they have enlisted civil society in the struggle. For their part, the citizenry have indicated willingness, in cooperation with state agencies or by themselves, to fighting corruption (Table 7 and Figure 3).

FIGURE 1

"How much of your company's net income would you be willing to pay to fund a program that would halve public sector corruption in ten years?" (Median %)



Source: The SWS Surveys of Enterprises on Corruption

Figure 3. Percentage of Income Willing to Pay for Fight on Corruption¹²⁶

On whole, the Philippine approach towards combating corruption has used democratic means, often relying on due process, transparent procedures, and choice in effecting many of its aspirations. Yet corruption remains widespread with millions of dollars lost each year that could have be used to fund counterinsurgency operations in the fight against communist insurgents or used to increase the quality of life of the Philippine's poorest communities.

Total losses due to corruption cannot be measured solely on a financial basis. For example, Eric Batalla states that

...the amount of financial losses does not constitute the entire cost of corruption to the Philippines. Yet this cost cannot be simply quantified in financial terms. One must impute the effects of corruption on productivity, prices, incomes, and employment of an entire range of existing and potential economic sectors...The

¹²⁶ Social Weather Stations, 2005 SWS Survey of Enterprises on Corruption.

relationship between corruption and underdevelopment has been suggested before. Corruption is anti-development because it goes against efficiency, social equity, and welfare.¹²⁷

The United Nations Development Programme echoes Batalla's claim by adding that in a country such as the Philippines, where corruption is endemic,

...the consequences are disproportionately and cruelly borne by the poor who have no resources to compete with those able and willing to pay bribes. In the end, corruption tightens the shackles of poverty on countries that can least afford it, on societies that need every dollar to pay for important social and economic programs.¹²⁸

In the end, the system that is supposed to provide basic services for the military and the civilian population is abused which results in economic underdevelopment to the tune of millions in lost revenue and a reputation of national weakness. Estimates of the financial loss due to corruption in the Philippines vary from source to source; however, it is likely that revenue essential to ensuring military and economic success in combating the influence of the CPP-NPA has been grossly depleted by senior officials in the government and military.

The effect this has had on the state's ability to combat the communist insurgency is readily apparent. For example, money siphoned from the state's coffers by senior military officers lines their pockets and those of their families instead of being used to fund military modernization programs. The lost revenue hinders the military's ability to conduct successful operations because it remains under-funded and ill-equipped to combat the insurgents. Additionally, as more cases alleging corruption by senior military and government officials are brought before the OMB and *Sandiganbayan*, public support and opinion for these organizations are further eroded which allows the CPP-NPA to sit back and watch the armed forces collapse under the weight of corruption scandals and questions of loyalty to the government.

¹²⁷ Eric Batalla, "De-institutionalizing Corruption in the Philippines," *Perspectives*, no. 3. (Makati, Philippines: Konrad-Adenauer Stiftung, 2000): 54-55.

¹²⁸ United Nations Development Programme, "Fighting Corruption to Improve Governance," United Nations, http://www.undp.org/governance/contactcdrom-contents/UNDP_manual/CONT01_Ch13.pdf (accessed January 31, 2007).

D. POVERTY AND INEQUALITY

A majority of the Philippine population continues to live in poverty-stricken rural areas, where they depend primarily on the agricultural sector for their livelihood, but do not benefit from secure access to land. Inequality in ownership and control over land remains acute and is more extreme than most analysts have previously imagined.¹²⁹ Additionally, “the legal peasant movement and the underground communist movement have continued to organize and wage war around demands for land redistribution...because skewed access to land is still and important source of not only economic deprivation but also political domination.”¹³⁰

1. Governance and Poverty

The 1986 People Power revolution that ousted Ferdinand Marcos and the 2001 People Power revolution that removed Estrada from the political scene were both significant milestones in Philippine political development, which paved the way for strengthened democratic institutions in the country. The Asian Development bank notes, however, that “while much has been achieved in the process of democratization since then, events of recent years have spawned a sense of disappointment over the ability of the political system to address the needs of Philippine society, and particularly the poor.”¹³¹ From the information presented in an earlier section of this thesis on weak political parties, we know that politics is the main source of the economic problems (i.e., poverty and inequality) confronting the country today. That is to say that “weak governance seems to be the major contributory factor for the economy’s lackluster performance and the insignificant impacts on poverty over the years.”¹³²

According to the Asian Development Bank, a weak and inefficient state is characterized by the inability to efficiently deliver the necessary services to its

¹²⁹ Asian Development Bank, “Poverty in the Philippines: Income, Assets, and Access,” Asian Development Bank, <http://www.adb.org/Documents/Books/Poverty-in-the-philippines/chap6.pdf> (accessed March 6, 2007).

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Ibid.

population as a result of low capacity. One main reason the Philippine Government is unable to deliver necessary services to the population is an inability to collect sufficient revenues.¹³³ A second reason is the country's cumbersome bureaucracy, run by close to 1.5 million civil servants and structurally challenged by

1. weak mechanisms for planning, agenda-setting, and policy-making;
2. a failure to implement and maintain an appropriate performance management and measurement system;
3. an overly large bureaucracy that is nevertheless plagued with gaps, overlaps, and duplication of functions, activities, and jurisdiction at all levels;
4. overemphasis on rules and procedures instead of directing resources towards the realization of intended outcomes and impacts;
5. highly politicized bureaucracy with opportunities for rent seeking;
6. lack of managerial and technical competencies; and
7. wrong mindsets, attitudes, and corporate culture.¹³⁴

A prime example of the state's inability to reduce poverty and inequality is that as of 2003, nearly half of the country's farmland remained owned by a small handful of families who were descendents of Spanish colonizers, half of the working class were landless laborers, and land reform had largely floundered. Additionally, the influential landowning Philippine elite have consistently dragged their feet on agrarian reform with the wealthy landowners often preferring instead to let their land go to seed rather than see it turned over to their tenants.¹³⁵ By the end of 2005, there had been talk of reform but little real progress had taken place in the face of the country's entrenched problems of poverty, social inequality, and indebtedness.

¹³³ Asian Development Bank, *Poverty in the Philippines: Income, Assets, and Access*.

¹³⁴ Ibid.

¹³⁵ See James, Hookway, "The Business of Terrorism," *Far Eastern Economic Review*, 166:2 (January 16, 2003), Simon Montlake, "In capitalist Asia, Philippines Still Grapples with Communists," *The Christian Science Monitor*, <http://www.csmonitor.com/2005/1207/p04s01-woap.html> (accessed May 22, 2006), and Steven Rogers, "Philippine Politics and the Rule of Law," *Journal of Democracy*. Vol. 15, No. 4. (October 2004): 111-125.

Without the support of the government, many of the country's poor and disenfranchised turn to those who "care" about them—the communists. This, combined with the AFP's inability to mount a large-scale counterinsurgency operation, is one reason why the CPP-NPA numbers have remained stable and have not significantly decreased in recent years in light of democratic rule. The rural population's poor have supplied the CPP-NPA with a constant supply of fresh recruits, provided them with safe havens, and given them food and supplies necessary to wage their protracted struggle against a government that appears increasingly unwilling to alleviate rural poverty.

2. Conflict and Poverty

Where security is not maintained, underdevelopment and poverty are the result, particularly where armed conflicts arise. Given the perpetual nature of the Philippine insurgencies, it should come as no surprise to see that poverty and underdevelopment are both rampant in the Philippines. For example, the *CIA World Factbook 2007* reveals that 40 percent of Filipinos live below the poverty line.¹³⁶ Conflict between the Philippine government and communist insurgents has resulted in the decline of the state's democratic political processes; military actors have increased their influence over subordinates, and the rule of law outside the confines of the urban centers has often broken down. Conflict is inextricably linked with chronic poverty.¹³⁷

The Asian Development has indicated that conflict has a negative effect on all five forms of capital. For example,

1. **Human Capital:** Conflict leads to deaths, disablement and displacement; decline in capacity of the state to provide health and education services; declining literacy, life expectancy, increased infant mortality rates and higher levels of stunting; higher dependency ratios; long term effects are a poorly educated and skilled workforce and a future generation which has known nothing but violence.

¹³⁶ "Philippines," *CIA World Factbook 2007*, January 8, 2007, <https://www.cia.gov/cia/publications/factbook/geos/rp.html> (accessed March 6, 2007).

¹³⁷ Asian Development Bank, *Poverty in the Philippines: Income, Assets, and Access*.

2. **Financial Capital:** Conflict impacts negatively on financial institutions, investments, markets, rates of economic growth, and investment levels; market decline, lack of credit, and outflow of capital are a result.
3. **Social Capital:** Conflict disrupts social relations and causes social dislocation and a decline in trust and reciprocity.
4. **Natural Capital:** Conflict leads to a breakdown of customary rights and rules of usage, lack of management and investment in natural resources, and increased use of marginal lands. Predatory behavior leads to resource depletion and environmental degradation.
5. **Physical Capital:** Conflict causes destruction of and lack of investment in infrastructure and services.

Within the Philippines, this is a particularly valid representation of what has happened within many of the rural areas. For example, James Hookway suggests that a lack of infrastructure (i.e., effects on physical capital) has produced a lack of jobs, which is why relatively few guerillas take advantage of government amnesty programs. Simply, there are few other ways to make a living; therefore, people remain within the CPP-NPA's ranks or turn to them as a means to survive. As a result, the CPP-NPA benefit from increased revenue from revolutionary taxes and a sustained manpower pool. However, revolutionary taxes collected by the NPA are crippling rural development (i.e., dwindling human capital) because those residents and business owners in the rural portions of the Philippines not supportive of the CPP-NPA are moving away in order to seek the relative security of metropolitan areas. This has created a vicious cycle whereby the poor who seek out the CPP-NPA for assistance due to a lack of infrastructure actually contribute to the problem because they create a deficit in human capital. The lack of human capital cripples development necessary to alleviate some of the problems, so the poor turn to the CPP-NPA and the cycle begins anew.

E. MILITARY LIMITATIONS

Stoking rural discontent and antigovernment unrest, the CPP and the New People's Army have managed to remain a thorn in the side of the military for almost four decades. Violence has escalated during the past several years with Philippine military officials identifying a familiar foe—communist agitators.

Unfortunately, the AFP's ability to combat the communist insurgency has been limited by dissent within the officer corps, corruption, lack of training, and insufficient equipment and has undoubtedly contributed to the persistency of the insurgency. For instance, the lack of modern, functional equipment and poor coordination between intelligence and operational units are key factors for why the AFP has been largely unable to defeat the NPA.¹³⁸ Additionally, the results of a Joint Defense Assessment between the U.S. Pacific Command and the AFP revealed a wide range of weakness in the AFP's operational capabilities, such as a lack of ground mobility and air assault capability, intelligence collection, analysis and dissemination, communications equipment, and civic action. The institutional rot of the AFP is more serious than a mere matter of inadequate funding.

1. The Philippine Army

The Philippine Army is the country's dominant military force with approximately 80,000 troops and accounts for the bulk of defense expenditure in line with the leading role in countering insurgent and terrorist groups.¹³⁹ Analysts at *Jane's Defence* suggest that while years of combat have given the army extensive operational experience, it has often failed to capitalize on this hard-won knowledge through systematic and regular training and indoctrination.¹⁴⁰ The army also has problems fusing command and control (C²) with intelligence functions and lacks professionalism due to a weak non-commissioned officer corps and politicized officer corps.¹⁴¹

The United States has assisted the Philippine Army since 9/11 by delivering both weapons and equipment. For example, the delivery of 30,000 M-16 rifles from the U.S. as part of an overall strategy to modernize the Philippine

¹³⁸ See Michael J. Montesano, "The Philippines in 2002: Playing Politics, Facing Deficits, and Embracing Uncle Sam," *Asian Survey*, 43:1 (January/February 2003): 156-166 and Michael J. Montesano, "The Philippines in 2003: Troubles, None of Them New," *Asian Survey*, 44:1 (January/February 2004): 99-103.

¹³⁹ Jane's, "Philippines," *Jane's World Armies*, February 12, 2007, <http://www.janes.com> (accessed March 5, 2007).

¹⁴⁰ Ibid.

¹⁴¹ Jane's, *Philippines*.

military has helped ensure infantry units in regular contact with communist insurgents have a reliable personal weapon. However, poor discipline and lack of adequate training with a weapon such as the M-16, which is notoriously difficult to maintain, has led to the equipment not always being correctly maintained and combat ready.¹⁴²

Mobility is also a problem for the Army as there is a critical requirement for both ground and air transport to move troops into combat and to evacuate wounded personnel. The current Philippine Army equipment inventory or Order of Battle (OB) includes numerous pieces of artillery, recoilless rifles, infantry weapons and more than 400 armored vehicles.¹⁴³ The army's weakness lies in its ability to utilize these pieces of equipment where they are required. For example, the Philippines is slightly larger in size than the state of Arizona (300,000 sq km).¹⁴⁴ However, use of armored personnel carriers to ferry troops into skirmishes is severely limited by mountainous terrain and thick jungles. The army's ability to airlift troops to the fight is also severely limited; however, this will be addressed in greater detail within the Philippine Air Force (PAF) section because the PAF operates and maintains the fleet of fixed wing and rotary aircraft.

The constant demands of the counter-insurgency campaigns have been a feature of national life since the end of the Second War and has largely frustrated any attempts to move the army much beyond the level of a gendarmerie.¹⁴⁵

This factor and the frequent—and often politically inspired—turnover of senior officers have made it difficult to sustain and implement long-term military planning.¹⁴⁶ One of the recommendations of a Joint Defense Assessment (JDA) endorsed by President Arroyo in 2003 was the stabilization of the senior military

¹⁴² Jane's, *Philippines*.

¹⁴³ Ibid.

¹⁴⁴ "Philippines," *CIA World Factbook 2007*, February 8, 2007, <https://www.cia.gov/cia/publications/factbook/geos/rp.html> (accessed March 5, 2007).

¹⁴⁵ Jane's, *Philippines*.

¹⁴⁶ Ibid.

leadership. In common with most of her predecessors, however, President Arroyo continues to follow the “revolving door” policy, which ensures senior officers due for retirement are appointed into positions of authority. While this may have a negative impact on innovation and ambition, it does serve to ensure most senior officers remain loyal to the president when they are at the peak of their authority.

The officers and enlisted men who joined the Oakwood Mutiny in 2003 levied serious allegations of corruption in the military establishment. In November 2003, the AFP created a 6,000-member National Capital Region Command to guard against future coup attempts and insurgent and terrorist activities in the Manila area. Attempts to destabilize the government continued into 2004 with the revelation of a second coup plot involving junior officers and a campaign by retired senior officers to postpone the May election and replace the Arroyo administration with a caretaker military-civilian administration. As with the 2003 attempt, this one failed as well. In February 2006, yet another coup plot surfaced involving the Philippine Marines and the elite Scout Rangers. By early 2007, at least 30 AFP personnel, including two senior generals (former Marine Corps commander Major General Renato Miranda and Scout Ranger regiment commander Brigadier General Danilo Lim) faced mutiny charges over their alleged role in the reported plot.

In the past few years serious sanctions have been imposed against those involved in such demonstrations of military defiance to civil authority. Most of the 300 personnel tried by courts martial for their role in a July 2003 plot against Arroyo later returned to duty after admitting their involvement. However, AFP commander General Esperon has said he intends to make an example of the 2006 plotters. Given the widespread skepticism over the allegations, it is unlikely that the AFP would risk triggering further rifts within the military by imposing any career threatening sentences on the accused. The end result of the process may well reconfirm the complex and volatile relationship between the armed forces and their civilian leaders.¹⁴⁷

¹⁴⁷ Jane's, *Philippines*.

The real problem with lies within the officer corps and a culture of indifference within sections of the military towards the state's often flawed democratic process and weak civil institutions.¹⁴⁸

2. The Philippine Air Force

The Philippine Air Force effectively became an aerial arm of the ground forces after losing its air combat capability when the last of its F-5A/B fighter squadrons were disbanded and the aircraft retired between 2005 and 2006. The PAF has never recovered from the U.S. Air Force's (USAF) withdrawal from Clark Air Base in the early 1990s. The USAF's withdrawal meant that the PAF could no longer depend upon the USAF for aircraft, parts, and maintenance. "The PAF's equipment degraded to a point where cannibalization and adaptation—for example, converting trainers into limited role combat aircraft—were required to maintain any war fighting capabilities."¹⁴⁹ The air force's ability to provide prompt close air support, troop insertion and medical evacuation missions are key assets in ground combat operations against Muslim and communist insurgent groups in mountainous and thickly forested terrain settings. The retirement of PAF's F-5A/Bs leaves the air force with no fighter platforms. With the elimination of the PAF's last F-5A/B unit, the air force is left without any jet interceptor capability. The national air defense role will be accomplished by armed versions of the S211 trainer. Today, the most capable counterinsurgency platforms in the PAF's inventory are the OV-10F counterinsurgency (COIN) fighter-bomber and the C-130 medium airlift aircraft.

¹⁴⁸ Jane's, *Philippines*.

¹⁴⁹ Jane's, "Philippines Air Force," *Jane's Sentinel Security Assessment - Southeast Asia*, February 9, 2007, <http://www.janes.com> (accessed March 5, 2007).



Figure 4. Philippine C-130 and OV-10¹⁵⁰

The PAF has begun the process of undertaking a modest modernization program that will carry the Philippine Air Force through 2018. “In January 2007 President Gloria Macapagal-Arroyo announced a Php10 billion (USD200million) defense spending program that included the purchase of 26 helicopters.”¹⁵¹ The program has thus far focused on troop transport and tactical support for ground forces and in all likelihood, this will remain the PAF's primary role for the foreseeable future. The announcement that additional funding would be allocated for additional PAF platforms will help address a perennial shortfall in transport and attack helicopters needed for counterinsurgency operations. However, there is little likelihood that the Philippines' lack of modern air defense or strike aircraft will be addressed during the remainder of this decade.

Various military surplus programs continue to provide the bulk of the air force's additional platforms, although this usually involves the transfer of old-

¹⁵⁰ “Philippine Air Force,” http://www.aero-image.com/photo_gallery.htmhttp://www.aero-image.com/photo_gallery.htm (accessed March 5, 2007).

¹⁵¹ Jane's, *Philippines Air Force*.

model aircraft that require a level of maintenance support that stretches local resources.¹⁵² Despite assistance from the United States and Singapore with helicopters and other equipment, the PAF's inventory remains unbalanced (Table 8). This is unlikely to be addressed in the medium to long-term given the air force's low priority in defense spending. Transport requirements are of higher priority for the PAF, reflecting a renewed emphasis on internal security and the need to rapidly deploy ground forces. However, as upgrades are favored over new acquisitions, there is little likelihood that the AFP will sanction the acquisition of any new major transport or combat aircraft for the PAF in the foreseeable future.

Designation	Equipment Type	Qty	Origin	Delivery	Manufacturer
UH-1H	Utility Helicopter	20	Singapore	2004	Huey (refurbished by Singapore Technologies Aerospace)
UH-1H	Utility Helicopter	3	US	2003	Huey
UH-1H	Utility Helicopter	5	US	2002	Huey
OV-10A	Support Aircraft	14	US	1992	Rockwell
OV-10C	Support Aircraft	4	Thailand	2003	Boeing
OV-10F	Support Aircraft	5	US	1991	Rockwell
Blue Horizon	UAV	2	Israel	2001	EMIT Aviation
L-39ZA	Jet Trainer	18	Czech	1995	Aero Vodochody
MD 520MG	Helicopter	6	US	1992	McDonnell Douglas
MD 500D	Helicopter	22	US	1990/2	McDonnell Douglas
S-211	Jet Trainer	36	Italy	1989/92	Agusta
SF 260TP	Trainer Aircraft	16	Italy	1989/92	Agusta

Table 8. PAF Military Procurement¹⁵³

As is illustrated above, current PAF priorities lie with the acquisition of transport and attack helicopters to support the AFP's declared campaign to combat and ultimately neutralize the Islamic and communist insurgencies by 2010.¹⁵⁴ This requirement is being at least partly met with the help of surplus

¹⁵² Jane's, "Philippine Procurement," *Jane's Sentinel Security Assessment - Southeast Asia*, February 9, 2007, <http://www.janes.com> (accessed March 5, 2007).

¹⁵³ Ibid.

¹⁵⁴ Ibid.

U.S. UH-1H and other platforms. The U.S. has taken a proactive role to address the critical deficiency in tactical mobility which has hindered counter-insurgency operations. For example, the U.S. agreed to supply 20 UH-1H Iroquois utility helicopters to the PAF as they became available along with an additional ten to ensure Philippine maintainers have sufficient spare parts to keep the aircraft serviceable.¹⁵⁵ PAF has responded by focusing virtually all its assets and resources in providing support for ground forces engaged in counter-insurgency operations.

Overall, the PAF's capabilities remain weak, and in the case of air defense and strike are almost completely deficient. Serviceability rates among operational platforms are rarely above 60 per cent, while many aircraft listed in the order of battle inventory are effectively operating beyond their service life (Table 9). This is reflected in the high attrition rate of aircraft through accidents.¹⁵⁶

¹⁵⁵ Jane's, *Philippine Procurement*.

¹⁵⁶ Between January 2006 and January 2007 the PAF lost at least two OV-10 Broncos and two MD520 helicopter gunships in separate accidents. For more information, see U.S. Marine Corps, "Crash Fire Rescue teams respond to Philippine OV-10 aircraft mishap," *3d Marine Expeditionary Brigade Public Affairs*, October 24, 2006 <http://www.usmc.mil/marinelink/mcn2000.nsf/0/113EECBA3A097B1085257211003AB83F?open&document> (accessed March 5, 2007), Manila Times, "Class suit readied versus PAF on OV-10 plane crash," *Manila Times.net*, February 6, 2006, http://www.manilatimes.net/national/2006/feb/06/yehey/prov/20060206_pro1.html (accessed March 5, 2007), Manila Times, "Air Force helicopter crashes; 2 injured," *Manila Times.net*, December 29, 2006, <http://www.manilatimes.net/national/2006/dec/29/yehey/metro/20061229met2.html> (accessed March 5, 2007).

Fixed Wing Aircraft				
Type	Role	Original Total	In Service	First Delivery
OV-10A Bronco	Counterinsurgency	24	6	1991
OV-10C Bronco	Counterinsurgency	8	7	2003
C-130B Hercules	Transport	9	7 ¹	1991
C-130H Hercules	Transport	3	2 ¹	1976
L-100-20 Hercules	Transport	5	3 ¹	1973
N22B Nomad Missionmaster	Transport	14	5	1975
F27-200 Friendship	Transport	8	7 ²	1959
F27-500 Friendship	Transport	1	1	2006
S211	Armed Trainer	24	15 ³	1989
T-41D Mescalero	Trainer	36	13	1968
R172 Hawk XP	Trainer	7	6	1997
SF-260TP	Trainer	18	12 ⁴	1993
1. The majority of PAF C-130s are grounded, but two C-130Bs, one C-130H, and two L-100s are active with more airframes to be refurbished and returned to service within the next few years. 2. Only two or three active; remainder in storage 3. Only four believed to be active, with another four due to be returned to airworthy condition. 4. Excluding 18 that were reportedly to be converted from SF-260MP; only one such conversion has been confirmed in PAF service.				
Rotary Wing Aircraft				
MD-520MG	Combat	28	18	1990
S-76	Combat	12	3	1984
SA-330L	Communications	2	1	1978
S-70A-5	Communications	2	1	1984
S-76A	Communications	5	3	1984
UH-1H	Utility	180+	50	1969
205A	Utility	15	5	1984
412EP	Utility	4	4	1984
412SP	Utility	2	2	1984

Table 9. Fixed and Rotary Wing Aircraft in Service¹⁵⁷

¹⁵⁷ Jane's, *Philippines Air Force*.

3. Conclusion

The Philippine Army suffers from poor discipline and a lack of adequate training. For instance, deficiencies in training and discipline with weapons such as the M-16, which is notoriously difficult to maintain, has led to the equipment not always being correctly maintained and combat ready. Additionally, the Army suffers from adequate mobility. To successfully combat the NPA, there is a critical requirement for both ground and air transport to move troops into combat and to evacuate wounded personnel from the engagements. Currently, these capabilities are noticeably deficient. Also, while the Philippine Army OB includes numerous pieces of artillery, recoilless rifles, infantry weapons and more than 400 armored vehicles, the army's weakness lies in its ability to utilize these pieces of equipment where they are required. For example, use of armored personnel carriers to ferry troops into skirmishes against the NPA is severely limited by mountainous terrain and thick jungles.

The air force's ability to provide prompt close air support, troop insertion, and medical evacuation missions are keys to supporting ground combat operations against communist insurgents in mountainous and thickly forested terrain settings. However, the military's ability to airlift troops to the fight and provide close air support is limited. Today, the most capable counterinsurgency platforms in the PAF's inventory are the OV-10F fighter-bomber and the C-130 medium airlift aircraft. Overall, the PAF's capabilities remain weak, and in the case of air defense and strike missions are almost completely deficient. Serviceability rates among operational platforms are rarely above 60 per cent and many aircraft listed in the PAF's inventory are effectively operating beyond their service life.

Equipment deficiencies such as those listed above have effectively tied the hands of the Army and Air Force in their quest to eliminate the communist threat. In order to be effective against a rural insurgency such as that posed by the CPP-NPA, the Armed Forces of the Philippines must invest heavily in tactical airlift platforms that can easily insert troops to gain contact with the enemy and

evacuate the injured. Until they do so, the CPP-NPA will benefit from using terrain and maneuver to launch hit and run attacks against the armed forces. The CPP's founder, Jose Maria Sison has indicated that

the NPA can bleed the AFP to death by launching tactical offensives everyday on a nationwide scale. It can watch its enemy clearly and can use effectively the tactics of concentration, dispersal and shifting. On the other hand, the AFP are deaf and blind and are confounded by the dilemma of concentration and dispersal in a fluid war of movement in which the NPA does not maintain fixed positions and fixed lines.¹⁵⁸

CPP spokesman Gregorio "Ka Roger" Rosal echoes this sentiment by saying that the AFP will fail in their quest to eliminate the NPA's guerilla fronts because

the combat troops of the AFP can only cover at most 10% of the areas of operation of the NPA. The NPA fighters can easily shift from 'hard areas' to accelerate mass work and organizing in the other 90% of its territory where AFP forces are absent or are spread out thinly.¹⁵⁹

The AFP has been unsuccessful in eliminating the communist threat because they want to win a war of quick decision by deploying large units as well as special operations teams, while the NPA pursues the strategic line of protracted people's war, accumulating armed strength in the countryside, and encircling the cities until the time comes for seizing the cities on a nationwide scale.¹⁶⁰ So far, this tactic has proved useful and has inflicted almost as many casualties on the AFP as they have inflicted on the NPA (Table 1). Currently, it appears that both the NPA and AFP are locked in a stalemate with neither side able to gain the tactical advantage over the other. In addition to the factors mentioned earlier in this thesis, this stalemate has certainly accounted for the persistence of the communist insurgency.

¹⁵⁸ Jose Maria Sison, "Why and how the AFP and PNP are losing the war," (press statement released July 1, 2006) http://www.defendsison.be/pages_php/0607010.php (accessed March 6, 2007).

¹⁵⁹ GMA News.tv, "Reds Belittle AFP Vow to Crush Guerilla Fronts," *GMA News.tv*, January 8, 2007, <http://www.gmanews.tv/story/26098/Reds-belittle-AFP-vow-to-crush-guerilla-fronts> (accessed March 10, 2007).

¹⁶⁰ Jane's, *Philippines Air Force*.

The CPP considers the AFP an oppressive instrument of the United States and the local exploiting classes of big compradors (intermediary or go-between) and landlords, while the NPA fights for the national and democratic rights of the working class, peasantry, and the rest of the Filipino people.¹⁶¹ According to CPP Chairman Jose Maria Sison, “the AFP is hated by the people more than ever before because they commit gross human rights violations, reek with corruption, and act like the private armies of the Arroyo ruling clique which has used them for electoral fraud and for the repression of the people and the legal opposition through intimidation, extrajudicial killings and abductions.”¹⁶² As long as these perceptions exist, the CPP-NPA will continue to draw support from thousands of supporters who see the AFP as an oppressive instrument of and exploitive government.

¹⁶¹ Jose Maria Sison, *Why and how the AFP and PNP are losing the war*.

¹⁶² Ibid.

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IV. CONCLUSION

Weakness of the Philippine state has failed to bring an end to nearly four decades of communist armed conflict which has been characterized by government and military responses that are dominated by pacification and victory positions. Additionally, the absence of an institutional policy option (i.e., addressing the root causes underlying the insurgency, closing the gap between rich and poor, de-politicizing, training and equipping the military, reducing corruption, and functioning as a government of the people, not against the people) results from state weakness in the Philippines. From the information presented in this thesis, a clearer picture of why the Philippine communist insurgency has persisted for nearly four decades has emerged. The literature reviewed and the data obtained during the research for this thesis points to state weakness as a key element for the communist insurgency's persistence.

State weakness is considered a precondition in numerous theories of revolution. For example, Theda Skocpol argues that a weakened state is ripe for revolution to occur. Robert Rotberg asserts that weak states are distinguished from strong states, "according to the levels of their effective delivery of the most crucial political goods."¹⁶³ Among these are the security of borders, elimination of domestic threats, prevention of crime, and facilitation of peaceful dispute resolution.¹⁶⁴ Weak states suffer from internal antagonisms, management flaws, greed, despotism, or external attacks. "In weak states, the various infrastructural and economic networks that characterize strong states have deteriorated, corruption has increased, and autocrats often rule."¹⁶⁵

The Philippines fits the definition of a chronically weak state suffering from a dysfunctional political and economic system beset by accusations of crime and corruption, is characterized by extremes of wealth and poverty, and suffers from

¹⁶³ Robert I. Rotberg, "Failed States, Collapsed States, Weak States: Causes and Indicators," in *State Failure and State Weakness in a Time of Terror*, ed. Robert I. Rotberg (Washington: Brookings Institution Press, 2003), 4.

¹⁶⁴ William M. Wise, 2.

¹⁶⁵ Robert I. Rotberg, 4.

immature civil-military relations, and a host of insurgencies from both Muslim separatists and persistent communist rebels. State weakness is apparent as witnessed by weak political parties, contested outcomes, coups attempts, and a politicized military that is limited by equipment and training deficiencies. Additionally, rampant corruption and the state's inability to close the gap between the rich few and the many poor has created a permissive environment which the CPP-NPA has been able to exploit. The pervasiveness of rural poverty has taken its toll on the ability of the government to portray itself as "concerned with the people." Consequently, the CPP-NPA has easily exploited this and been able to replenish its ranks over the years.

A. WEAK POLITICAL PARTIES

The weak political party system now in place in the Philippines allows politicians to switch political parties to that of the ruling party. As long as politicians feel free or obligated to switch political parties, there cannot and will not be a "representative" government in place to look after the needs of the masses over the needs of the elite. For instance, during each of the major congressional elections, a minority party has won enough seats to mount a successful minority political opposition on their own or as part of a coalition. However, legislators from the minority parties jumped ship to join the party of the President in order to receive a greater piece of the budgetary pie.

This directly contributes to the communist insurgency because as party members leave their constituency (i.e., the rural poor) behind, the peasants turn to the open arms of the CPP-NPA because they are viewed as "representing the needs of the people." Part of the problem lies in the fact that in the Philippines, "it is not the election of members of the legislature that determines the governing majority in government. It is the election of the president. Once a president is elected, he or she becomes the center of political power."¹⁶⁶ Until legislative officials are elected by their respective constituency based on their political platforms alone and party switching outlawed, the countries' rural poor will continue to turn to the CPP-NPA for assistance that they are not getting from

¹⁶⁶ Senator Aquilino Q. Pimentel, *Multi-parties Strengthen Democracy*.

their elected officials. Unfortunately, when you have a president (e.g., Arroyo) who herself switched parties, it becomes difficult to implement such a policy change.

B. MILITARY LIMITATIONS

There is a relationship of mutual trust that must exist between soldiers and the people they serve. In order to sustain strong bonds of mutual trust, soldiers must earn the respect of the citizenry through competence and fidelity. At the same time, the soldiers must be provided adequate material and psychological support to carry out the mission. Right now, the Philippine military has the support of the government, but is lacking the necessary tools (i.e., training, airlift, transportation, advanced weapons, etc.) required to successfully defeat the CPP-NPA. Additionally, while subordinated to civilian authority, the military lacks fidelity by continually undermining the government's legitimacy through demonstrations and coup attempts whenever they feel slighted rather than pressing the issue up the chain of command. In addition, there is a noticeable lack of stiff penalties for military insubordination that subverts the implementation of government policies. For example, to date, many of the Oakwood mutineers remain free and were granted pardons for their involvement after issuing a public apology to the president.

This sends the message to the public that there are no repercussions to military insubordination as troops can rebel one day and go back to work the next. This has provided the CPP-NPA with another weapon in their arsenal—exploitation of public perception. For example, as Philippine citizens come to view the government as illegitimate or flawed each time the military launches a demonstration or coup and sees that those individuals are not punished for their behavior, the CPP-NPA are likely able to exploit this sentiment and draw in additional supporters to overthrow the government.

C. CORRUPTION

The Philippines has a robust anti-corruption infrastructure in place; however, the problem of eliminating corruption lies not with these organizations, but rather with Philippine society's own desire to eliminate corrupt practices. The

problem is that the concept of *utang na loob* (debt of gratitude) and *pakikisama* (getting along well with others) have been abused to the point that public and private sectors are rife with corruption. It is commonplace and even accepted behavior for Filipinos to foster and build interpersonal relationships by bribing officials in exchange for basic civil services or assisting friends and family to get jobs or construction contracts. From a Filipino perspective, there is nothing wrong with this behavior. It is simply seen as a way to exist in modern society. Unless this behavior is eliminated by Filipinos themselves, the Philippines will continue to suffer from widespread corruption with the organizations already in place to combat corruption continuing to be tasked with the amelioration of this problem.

In the end, the system that is supposed to provide basic services for the military and the civilian population is abused which results in economic underdevelopment to the tune of millions in lost revenue and a reputation of national weakness. The effect this has had on the state's ability to combat the communist insurgency is readily apparent. Money siphoned from the state's coffers by senior military officers lines their pockets and those of their families instead of being used to fund military modernization programs. The lost revenue hinders the military's ability to conduct successful operations because it remains under-funded and ill-equipped to combat the insurgents. Additionally, as more cases alleging corruption by senior military and government officials are brought before the OMB and *Sandiganbayan*, public support and opinion for these organizations are further eroded which allows the CPP-NPA to sit back and watch the armed forces collapse under the weight of corruption scandals and questions of loyalty to the government.

D. THE BOTTOM LINE

The CPP-NPA's desire to come to the bargaining table is currently overshadowed by their place on the United States' list of foreign terrorist organizations. The CPP-NPA will not come to the bargaining table until they are taken off the list, and the government will not carry on peace talks because the CPP-NPA are on the list and will not come to the negotiating table. Both sides are caught in a vicious circle with neither side willing to compromise on its

position. In order for a peace process to go forward, concessions must be made on both sides. However, the government has repeatedly expressed and overall desire to pursue a military solution to the communist insurgency rather than a political one. Additionally, the Philippine government has failed to pursue measures that would make the expected utility of violence outweigh its opportunity cost by making it harder to profit through violence. For example, CPP-NPA “revolutionary taxes” are hurting the same people they claim to be protecting. This highlights the fact that the CPP-NPA continue to gain from armed conflict and would therefore not genuinely seek a resolution to the insurgency because they expect to profit more from conflict than from engaging in alternative productive activities.

The CPP-NPA has become the mouthpiece used by the rural peasantry to voice their anger and carry on the fight against the Philippine government. As Patricio Abinales concludes, “So with the government shooting itself on the foot, the CPP can just sit back and wait for the state to collapse.”¹⁶⁷

¹⁶⁷ Patricio Abinales, e-mail to the author on June 19, 2006.

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